Herald INTERNATIONAL Tribune

PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

The World's Daily Newspaper | London, Tuesday, February 17, 1998 | No. 35,757

TODAY: STYLE

China Airlines' Jet Crashes in Taipei, Killing 197 Aboard

Taiwan Bank Governor Among Dead; 9 on Ground Die in Blazes Set by Airbus

By Edward A. Gargan
New York Times Service

HONG KONG — A China Airlines flight from the Indonesian resort of Bali crashed and burst into flames while trying to land in fog and rain Monday evening at Chiang Kai-shek International Airport in Taipei.

All 197 passengers and crew members were killed, including the governor of Taiwan's central bank.

Nine more people, including a 2-month-old baby, were killed on the ground, according to the official Central News Agency.

The central bank governor, Sheu Yuan-dong, was returning from a meeting of regional finance and banking officials with his wife, Huang Mian, and three other central bank officials. They included Chen Huang, head of the bank's department of foreign exchange, and Chien Chi-min, head of the department of economic research.

See CRASH, Page 4

Relatives of passengers who died in the crash of the China Airlines flight from the Indonesian resort of Bali comforting each other at the airport in Taipei on Monday.

France Invites Iraqi For Talks in Effort To Head Off Attack

Paris Hopes Meeting Will Include UN Chief in 'Final Push' for Peace

By Craig R. Whitney
New York Times Service

PARIS — France stepped up last-minute diplomacy Monday to try to head off an American-led bombing campaign against Iraq, inviting the Iraqi foreign minister here for talks that could include a session with UN Secretary-General Kofi Annan on Wednesday.

French officials said they expected Mr. Annan to continue on to Baghdad if he came here to see Foreign Minister Mohammed Said Sahhaf, who will arrive Tuesday for talks with President Jacques Chirac. "We have to make a final push," Mr. Chirac said Monday, according to his spokeswoman, Catherine Colonna, who said he hoped Mr. Annan would decide to make the trip.

The French hope the diplomacy will secure agreement to a French and Russian plan to allow United Nations arms experts, accompanied by diplomats, access to eight presidential palace sites in Iraq that some experts suspect of concealing forbidden weapons programs or storage facilities. The five permanent members of the Security Council conferred in New York on Monday night on the plan.

French officials said they hoped the United States would support it and give them and Mr. Annan a mandate to persuade Iraq to back down from the brink.

If Iraq does agree, French officials say, there will be no understanding here for an American refusal to accept the proposal.

President Saddam Hussein had barred UN Special Commission teams in charge of overseeing Iraqi compliance with Security Council disarmament resolutions from inspecting these and other "sensitive" areas, setting off the confrontation.

France, Iraq's biggest European trading partner, has repeatedly warned Mr. Hussein not to push the United States into an armed response to enforce the resolutions, but has also refused to say whether France would support bombing if push came to shove.

"We believe a diplomatic solution is still possible," a French diplomat said Monday. "The problem is that there are some people on the Iraqi side who think the Americans are going to strike no matter what."

French newspapers and television reports have vividly conveyed an increasingly bellicose mood in Washington over the past week or so, and French leaders, whose support in the crisis was sought by President Bill Clinton and Secretary of State Madeleine Albright, have instead grown increasingly critical, according to diplomats.

Mr. Chirac disappointed the White House by pointedly declining two weeks ago to give Mr. Clinton the backing he sought in a telephone conversation, diplomats said. Last week, he seemed to go out of his way during a visit to Vienna to be critical of American plans to bomb Iraq into compliance with the UN inspection regime if diplomacy failed.

"I do not dispute the necessity of making Saddam Hussein respect all the decisions of the Security Council," Mr. Chirac said there on Thursday. "I simply

See FRANCE, Page 6

When UN inspectors report on Iraq, who gets the data? Page 6.

Indonesia Edges Toward a Showdown With IMF

By Michael Richardson
International Herald Tribune

SINGAPORE — A confrontation between Indonesia and its main creditors moved closer Monday as Indonesian officials said the government would press ahead with a plan aimed at stabilizing its currency despite opposition to its strategy from the International Monetary Fund, the World Bank, the United States and the European Union.

At the same time, B.J. Habibie, Indonesia's research and technology minister, and an official that the IMF and financial markets regard as a devotee of high-cost national projects, strengthened his position as the country's likely next vice president and potential successor to President Suharto.

Both moves unnerved East Asian markets. Currencies and stock prices fell across the region amid growing anxiety about the crisis in Indonesia, where sporadic looting continued in towns along the north coast of the main island of Java after days of rioting over rising food prices and attacks on shops owned by the ethnic Chinese minority.

Analysts said Mr. Suharto was evidently determined to get control over the rupiah and to get trade moving again by establishing a currency-board system that would give the currency a fixed exchange rate — probably against the dollar — and by having Mr. Habibie as his vice president.

The IMF and other critics fear that if a currency board is set up prematurely, a rupiah peg may not be sustainable because of Indonesia's shrinking foreign reserves, its deeply troubled banks and a lack of strong monetary discipline. Reserves stand at $17 billion, while foreign debt is close to $140 billion.

European Union finance ministers, meanwhile, joined in a growing chorus of opposition to the plan (Page 11).

See INDONESIA, Page 15

Indonesians maintain faith in military. • The police warn they will shoot rioters. Page 4.

So, When Can We Fit In a War?

Washington Faces Schedule Problems

By Steven Erlanger
New York Times Service

WASHINGTON — Everyone's got the calendar out, trying to schedule a manageable little war with Iraq. There are the Islamic holy days to consider, the cycles of the moon, the president's trip to Africa and even parents' weekend at Stanford University, where a certain first daughter goes to school.

"You really do hear some unusual things in the corridors," a senior Defense Department official said. "Talk about Ramadan, and the feast after Ramadan and before that there was Christmas. And now it's the Olympics and the hajj. I guess there never really is a convenient time."

The guessing game has extended to whether the Stanford parents' weekend and the hajj, the annual pilgrimage of Muslims to Mecca, are factors as consequential for scheduling warfare as whether President Saddam Hussein of Iraq agrees to "full and unfettered access" to suspected weapons sites by United Nations inspectors, which is the Clinton administration's bottom line for a settlement.

In conflicts like this, care for the sensitivities of one's allies can be more important than the urgency of

See CALENDAR, Page 6

Mr. Clinton: rarely by himself, always alone.

A Lonely Man in Midst of Friends

In Crisis, Clinton Loses the Personal Contact He Thrives On

By David Maraniss
Washington Post Service

WASHINGTON — President Bill Clinton, as he struggles to survive the most serious crisis of his career, has become a study in presidential loneliness.

His life was built on two things — words and friends — that suddenly seem of less use to him. In public, he has offered up few words to explain the mess he is in, and in private almost none of his legendary legion of friends is willing or able to hear him say much more. The president who once chafed at the confinements of his job by calling the White House "the crown jewel in the American penal system" is now confronted by the prisoner's paradox: an existence in which he is rarely by himself and yet always alone.

Mr. Clinton's aversion to being alone has been a defining trait of his life. During these last few perilous weeks, he has engaged in his customary pursuit of crowds and reassurance. He brings friends in for popcorn and a movie. He dances past midnight with celebrities at a state dinner. He lingers wistfully at a midday farewell party for a longtime aide. He rallies with Democratic troops on Capitol Hill. He heads to the heartland to touch hands along the rope line. He sifts through stacks of supportive letters and dissects internal polls indicating the public is with him.

But something is different in these last weeks since the allegations of presidential sex and perjury broke, according to interviews with friends, aides and associates from all parts of Mr. Clinton's life.

All presidents operate in a bubble of agents and aides, but the distance that inevitably separates even this most gregarious of presidents from the rest of humanity has become greater, his sense of isolation more noticeable. He spent a lifetime using his empathy and charisma to turn strangers into friends, accumulating them by the thousands, remembering their individual histories, memorizing their phone numbers and their parents' names.

"He is president because of all that," said David Mixner, who befriended Mr. Clinton during the 1960s anti-war movement. But now, said another disheartened pal whose friendship extends back a similar length, their friend the president has become "a stranger in a strange land."

See CLINTON, Page 6

South Korea Scrambles To Create a Safety Net

Layoffs Loom for Nation Used to Lifetime Jobs

By Mary Jordan
Washington Post Service

SEOUL — In the dark months ahead for South Korea, a million or more people are expected to lose their jobs because of the national economic retrenchment, and when they do, there is virtually no social welfare safety net to catch them.

South Korea now finds itself in a similar position to that of the United States during the Great Depression, in need of a New Deal, a package of government benefits to aid the displaced.

For now, the growing number of jobless are relying on savings and help from relatives. For some, annual incomes of $50,000 or more have dropped to zero overnight, with not a penny of help from the government. The economic crisis, and the tough fiscal reforms, including layoffs, dictated by the International Monetary Fund in exchange for the $58 billion emergency lifeline it has tossed South Korea, are forcing a fundamental shift in the role government plays in helping the unemployed.

The "Asian way" had always been for governments to subsidize companies to keep people on the payroll even when they were not needed, rather than providing unemployment benefits directly to workers. Most people here now agree that companies can no longer survive under this system; layoffs are coming throughout East Asia, and governments from Tokyo to Jakarta are trying to figure out how they should respond.

Masayuki Nakai, a senior official in Japan's Labor Ministry, said the old logic that it is the company's responsibility to educate, train and employ workers for life is giving way to the notion that this is the employee's responsibility. The Japanese government is now discussing how to establish retraining programs for laid-off workers, but there is great resistance to such programs among people who feel this is a step toward what they believe the United States or Western Europe have become — countries that have gone overboard in handing out food stamps and welfare checks.

"We think it is important to develop a person's ability and not let them indulge in unemployment insurance," Mr. Nakai said. "For example, we once heard that in Europe there is a term, 'unemployed aristocrat.' That is not good for the person or the government."

In South Korea, the new government that is to take office Feb. 25 with the inauguration of President-elect Kim Dae Jung has set as a priority the creation of programs to provide benefits

See KOREA, Page 15

Newsstand Prices

Bahrain	1.000 BD	Malta	55 c
Cyprus	C £ 1.00	Nigeria	12800 Naira
Denmark	14.00 DKr	Oman	1.250 OR
Finland	12.00 FM	Qatar	10.00 QR
Gibraltar	£ 0.85	Rep. Ireland	IR £ 1.00
Great Britain	£ 0.90	Saudi Arabia	10 SR
Egypt	£E 5.50	S. Africa	R12 + VAT
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kenya	K. SH. 160	U.S. Mil. (Eur.)	$ 1.20
Kuwait	700 Fils	Zimbabwe	Zim.$40.00

08

9 770294 805025

AGENDA

Britain Wants Sinn Fein Barred

Britain called Monday for Sinn Fein to be expelled from the Northern Ireland peace talks because of two killings linked to the party's allies in the Irish Republican Army.

The police have accused the IRA of violating its cease-fire — the condition for Sinn Fein's participation in negotiations on Northern Ireland's future — by killing a drug dealer and a Protestant militant last week.

Gerry Adams, the Sinn Fein leader, had angrily predicted that Britain would force his party out of the talks. Page 5.

Tough Choices At Indian Polls

Indians massed at polling places Monday for the start of the nation's most competitive election since independence in 1947. They face a choice among a declining Congress (I) Party, the emergent Hindu nationalist Bharatiya Janata Party and a coalition of 14 parties formed after the 1996 election to keep the nationalists out of power. Page 2.

The IHT on-line www.iht.com

The 'Herminator' Bounces Back in Triumph

After Spectacular Crash, Austrian Takes Super-G

By Christopher Clarey
New York Times Service

HAKUBA, Japan — Only 72 hours after Hermann Maier, of Austria, turned himself into a human projectile in the men's downhill and went crashing through two safety fences, he calmly resumed doing what he has been doing since November: dominating.

His gold medal in Monday morning's super-G was his fifth victory in five super-G races this season, and although it did not come by his typically crushing margin of more than a second, it came by more than enough to give the former bricklayer from Flachau, Austria, a piece of Olympic history.

His winning time of 1 minute, 34.82 seconds was more than a half-second better than that of the co-silver medalists, Didier Cuche of Switzerland and Hans Knauss of Austria.

"We will know what kind of skier Hermann Maier really is after he falls," Karl Schranz, the former world champion, had said last month.

Now, we know. Or at least we have a very good idea.

"After my fall, I was afraid the Olympics wasn't made for me because the Olympics has its own rules," Maier said. "In the Olympics, everybody tries to give more than they have. I gave less than I had Monday, but it was enough."

The only person who looked more relieved than "the Herminator" was his girlfriend, Petra Wechselberger, who watched in the finish area with other members of Maier's Flachau-based fan club on that rarity in the Japanese Alps: a day that was clear enough for a ski race.

"Maybe he really is an alien; I don't know," Wechselberger said.

Like millions of people around the world, Wechselberger was watching a television screen Friday when Maier lost control in the downhill between the seventh and eighth turns and went hurtling wildly into space, landing on his helmet at high speed. The screen she was watching was in the finish area.

"I thought everything would be broken," she said. "I didn't see him land, because I had to turn away. I got so scared. I've never seen anything like that in my whole life."

Nor had a lot of people. "I'd give that a 9.5 or 10," said the American racer Chad Fleischer, using the gymnastics scoring method.

But Maier, a man who likes to free climb without ropes and race motorcycles, is clearly a rugged customer.

Although he ended up withdrawing from the combined downhill the same day, he skied down the hill under his own power with nothing more than a lightly sprained knee and a sore sternum and left shoulder.

He had been unlucky and so very lucky at the same time, and when the weather

See MAIER, Page 18

Hermann Maier taking flight Monday on the Olympic super-G course.

• Stumbling Americans face an indomitable Czech goalie. Page 17.
• Seizinger is first downhill racer to repeat as Olympic champ. Page 18.
• Controversial ice dancers Grishuk and Platov win second gold. Page 19.

Muslims Are Worried / *Sonia Gandhi Could Be Spoiler*

Hindu Nationalism Gains Momentum as Indians Vote

By John F. Burns
New York Times Service

NAGPUR, India — When Atal Bihari Vajpayee looked out across the 150,000 people who gathered here for one of the climactic speeches of the country's election campaign, he seemed for a moment to choke, as though glimpsing a victory at the polls that he and other veterans of India's Hindu nationalist movement thought for years they might never see.

"We are coming!" Mr. Vajpayee said, to cries of "Victory for Mother India!" from a crowd stretching far into the smoggy winter night.

"This time, we will have a parliamentary majority, and we will give new life to India," Mr. Vajpayee said. "After more than 50 years of independence, the days of our national humiliation will be over, and India will fulfill the potential squandered by years of corruption and inefficiency."

With 600 million voters casting ballots Monday in the first of four rounds of polling across India ending March 7, all major opinion polls are forecasting the strongest-ever showing by the Bharatiya Janata Party, or Indian People's Party, with Mr. Vajpayee, 71, as its candidate for prime minister. Many Indians have concluded that the party will do well enough to form a government, or at least to head a governing coalition.

The prospect is profoundly disturbing to many of the country's 120 million Muslims, and to other Indians who reject Hindu nationalism as a fair basis for governing this vast country, with its mosaic of faiths. The anxieties have grown as the voting has approached, with troops moved into position and curfews in some areas, to guard against the risk of election violence.

Polls have predicted that the Bharatiya Janata Party will combine with allied groups to win at least 210 to 230 seats in the 545-seat lower house of Parliament, against at least 165 seats for the resurgent Congress (I) Party led by Sonia Gandhi, the Italian-born widow of former Prime Minister Rajiv Gandhi who has been pitting her soaring personal popularity against her party's reputation for corruption. Polls have predicted about 120 seats for a third major force, the center-left alliance known as the United Front.

A Bharatiya Janata victory, or a result that brought it close enough to be able to build a majority, would be a historic watershed for India. For all but 13 days in 1996, when Mr. Vajpayee formed a minority Bharatiya Janata government that collapsed for lack of parliamentary support, India as an independent nation has been governed by "secular" parties — groups whose vision of India is of a country composed of innumerable religious, ethnic and language groups, requiring for cohesion a government that rules impartially.

For all its efforts in the current election to present a more harmonious image, the Bharatiya Janata Party is the political standard-bearer for another ideal — that of Bharat, the Hindu motherland that party hard-liners say can only be true to itself if it gives primacy to a concept known as Hindutva. While even party adherents find it hard to define this semimystical ideal, what it means in practice, at least among the hard-liners, is that a Bharatiya Janata government would give preeminence to Hindus and to Hindu culture.

For the Congress Party leaders who have dominated Indian politics for most of this century — from the independence leader Mohandas Gandhi to Jawaharlal Nehru, the first prime minister; on to Indira Gandhi, Mr. Nehru's daughter, and Rajiv Gandhi, his grandson, all Hindus — the concept of Hindu primacy has been anathema. Their reasoning has been that while India has a large Hindu majority — 700 million in the population of 980 million — it also has large minorities, primarily the Muslims, who trace their origins in India back more than 1,000 years.

Now, with power almost within grasp, the Bharatiya Janata Party confronts what many of its opponents see as an exquisite irony. If the party is to be denied power, it will be by Sonia Gandhi, who is not Hindu but a practicing Roman Catholic, and not even Indian by birth.

Born near Turin in northern Italy, Mrs. Gandhi, 51, made her first acquaintance with India when she met Rajiv Gandhi in England in the 1960s, a time when, she has acknowledged, she thought of India mainly as a country of "snakes, elephants and jungles." She became an Indian citizen in 1984, after her husband became prime minister.

Alarmed by the crowds Mrs. Gandhi has been drawing across India, the Bharatiya Janata leadership has resorted to derisive jibes, accusing her of planning to impose a "Rome Raj," implying that her Catholicism will make her an agent of the Vatican. But other Indians have spoken of Mrs. Gandhi's popularity — and the possibility that she might become prime minister in the wake of a Congress election victory — as proof of the tolerant tradition of Hinduism that they say the Bharatiya Janata Party, or at least its hard-liners, have rejected.

The problem Mrs. Gandhi presents for the Bharatiya Janata Party was evident at Mr. Vajpayee's rallies in the Nagpur region, 500 miles (800 kilometers) south of New Delhi. Mr. Vajpayee spoke cautiously of his main opponent, and then always as "Sonia," as she is universally known in India. In place of the personal put-downs favored by Lal Krishna Advani, the party's hard-line president, Mr. Vajpayee gently questioned Mrs. Gandhi's ability to perform miracles.

Even Bharatiya Janata supporters seemed offended by Mr. Advani's references to Mrs. Gandhi as "a foreigner" and "a housewife."

"No, no, nothing like that," said Savita Ramchandra Deshpande, a 50-year-old woman at the Wardha rally. "We don't have any problem with Sonia. We respect her. We respect her family. Our problem is with the Congress Party, and what it has failed to do for India."

THE DISTINCTION between the Hindu nationalist and secularist concepts of India have become blurred in recent years, with some Congress Party figures slipping into the language of nationalism in a bid to halt the party's slide, and the Bharatiya Janata Party moderating its message in an attempt to attract voters who shunned the party in the past.

Still, few Indians have forgotten two moments when the divide between the visions became tragically enshrined in the country's history.

The first came on Jan. 30, 1948, when Gandhi was shot to death by a Hindu nationalist in New Delhi. The assassin, Nathuram Godse, said at his trial that he had acted to punish Gandhi for betraying Hindus with his "pro-Muslim" beliefs — Mr. Godse's interpretation of Gandhi's secularist philosophy in which he preached that people of all faiths should be treated equally.

For the Bharatiya Janata Party, founded in the early 1980s to take over from earlier, failed Hindu nationalist parties, Gandhi's assassination has been a spectral presence. By itself, it has been enough to deter many Indians from voting for the party, long years after they began to be disillusioned by the Congress Party.

More recently, the party has had to live down the events of Dec. 6, 1992, when a Hindu nationalist mob, urged on by party officials led by Mr. Advani, destroyed a 16th-century mosque at Ayodhya in Uttar Pradesh state, claiming the mosque was built on the birthplace of the Hindu deity Ram. At least 13 Muslims were killed.

To broaden its appeal, the party has campaigned this time in what critics have called a "schizophrenic" mode, with Mr. Vajpayee avoiding the party's Hindu nationalist agenda altogether, while Mr. Advani, the party's dominant figure, has hewed to the nationalist creed. While the party's election manifesto, drafted by Mr. Advani, promised that a Bharatiya Janata government would build a Hindu temple on the Ayodyha site, Mr. Vajpayee, who described the 1992 mosque razing as a "mistake," has promised voters that it will not be repeated.

Similar contradictions have emerged over two other party manifesto commitments — a pledge to introduce a uniform civil code across India, eliminating the separate laws for Muslims in matters of marriage, divorce and inheritance; and an undertaking to strike from the constitution a clause enshrining a special status for Jammu and Kashmir, the country's only Muslim-majority state.

Even Mr. Advani has hedged on these commitments, saying a Bharatiya Janata government would need parliamentary allies, and that it would negotiate with them over all the party's pledges, including those affecting Muslims.

Agit Kumar/The Associated Press

Alarmed by the crowds Sonia Gandhi, left, has been drawing, the Bharatiya Janata leadership, represented by Atal Bihari Vajpayee, right, has resorted to derisive jibes, accusing her of planning to impose a "Rome Raj," implying that her Catholicism will make her an agent of the Vatican.

Sunil Malhotra/Reuters

Tough Choices in an Unusually Competitive Race

By Kenneth J. Cooper
Washington Post Service

PATNA, India — Millions of Indians massed at polling places Monday to participate in the nation's most competitive election since independence in 1947 and the second parliamentary vote in the world's largest democracy in less than two years.

The last published opinion polls indicated an indecisive result leading to another coalition government once ballots are counted in the first week of March for all but a few of the 545 seats in Parliament.

Preliminary reports said at least 17 people were killed Monday and voter turnout dipped below the historical average of 60 percent during the election's first phase, with 40 percent of Parliament at stake.

In the midterm vote, India's 600 million eligible voters face a choice among a long-ruling but now declining Congress (I) Party, the emergent Hindu nationalist Bharatiya Janata Party and a coalition of 14 centrist, leftist and regional parties formed after the 1996 election to keep the Hindu nationalists out of power. In 11 previous elections, no more than two blocs competed at the national level.

The collapse in November of the coalition government of Prime Minister Inder Kumar Gujral forced an election three years ahead of schedule. It was the second United Front government to fall since June 1996, both times because the Congress Party withdrew its support.

Voters have appeared torn between a wish for an honest, stable government and a fear of communal tensions if their third option, the Bharatiya Janata Party, the largest in the last Parliament, is given a clear mandate.

That central conflict could be heard in the voices of anxious voters here in the drab provincial capital of eastern Bihar state, where the Bharatiya Janata Party is likely to make its largest gains because of divisions in the political opposition.

In Bihar state, politics have been dominated in recent years by former Chief Minister Laloo Prasad Yadav, who was jailed last year on corruption charges and kicked out of the Janata Dal, Mr. Gujral's left-leaning party. But Mr. Yadav rebounded by inserting his wife as chief minister, winning his release on bail and forming a new party.

Mandrika Singh Yadav, a farmer, said he had abandoned loyalty to his landholding Yadav caste and voted for the Bharatiya Janata Party candidate in the rural fringes of Patna where winter crops of potatoes and onions were being harvested in the morning sun. "We have stayed poor for so long, so I want a change," Mr. Yadav said. "People are saying Laloo is a thief. When we know about it, how can I vote for him?"

Despite the corruption charges, Raza Imam, 77, described himself as a loyal supporter of Laloo Prasad Yadav and said he voted for the new party because its leader has helped protect the Muslim minority, who make up about 12 percent of India's 950 million people.

So far, nearly 100 people have been killed during the election campaign. Most notably, scores of people died over the weekend when more than a dozen bombs were detonated in Coimbatore, a city of 1 million in southern Tamil Nadu state.

West Africans Urged to Quell Junta Forces in Sierra Leone

Reuters

FREETOWN, Sierra Leone — The local authorities in Sierra Leone's biggest diamond town, Koidu, have called on West African troops to prevent a bloodbath as troops loyal to the ousted junta fought with residents, refugees said Monday.

The Nigerian-led peacekeeping force known as Ecomog has taken control of the capital, Freetown, but battles continue elsewhere between junta loyalists and opponents.

Lebanese refugees who have fled to Conakry, capital of neighboring Guinea, said relatives in Koidu in the east of the country had told them by radio that junta forces were looting and fighting what they called "local vigilante groups."

"Traditional authorities in the town told us on the radio that they are appealing to Ecomog to intervene in the town to prevent a bloodbath," a Lebanese man said.

A militia that has been fighting the junta ever since its military coup last May seized the eastern towns of Bo and Kenema from pro-junta soldiers on Sunday, BBC radio said. Several junta soldiers and sympathizers were killed or tried on the spot and handed over to anti-junta youths for execution, a BBC correspondent in Bo said.

"Over 10,000 well armed Kamajor militiamen entered Bo town from three points, singing war songs and looking for soldiers of the ousted junta," the BBC correspondent said. The Kamajor were welcomed by jubilant civilians.

Eight armed soldiers of the ousted army were caught and handed over for execution, the correspondent said. Houses belonging to people suspected of financing the junta were set on fire.

There was comparative calm in Freetown on Monday as soldiers of the West African force and the Sierra Leone police manned road blocks and checked all vehicles for arms and ammunition. Some residents of Goderich Village in the west of Freetown were forced to flee their homes before dawn Sunday to seek shelter nearer the city center, they said. "They are cutting people's hands and burning houses," said a hotel manager, passing on the accounts of fleeing residents.

Goderich villagers said the attackers were from the Revolutionary United Front, a group that had rebelled against the elected government before the May 25 coup and joined forces with the army officers who toppled president Ahmad Tejan Kabbah. Nigerian troops later moved into Goderich and restored calm to the area, residents said.

Most businesses in the capital remained shut because owners were afraid of looters. The West African force has said that looters would be shot on sight.

A boat due to bring World Food Program aid to Freetown was still being loaded in Monrovia, Liberia, on Monday and might not arrive by Wednesday as planned, aid officials said.

The commander of the West African force, General Timothy Shelpidi, a Nigerian, vowed to pursue the junta leaders. The junta's second-in-command, Victor King, and 24 other officials were arrested Friday after their two helicopter gunships were intercepted by a Nigerian jet and forced to land in Monrovia.

About 15 other junta officials were apprehended in Conakry, where President Ahmad Tejan Kabbah, the democratically elected chief of state, now lives in exile.

Checkpoint Charlie Marker Is Stolen

The Associated Press

BERLIN — A sign that marked the border crossing from West to East Berlin, one of the most famous Cold War symbols, has been stolen from outside the Checkpoint Charlie museum in Berlin.

The wooden sign, about 2 meters (7 feet) square, warns: "You Are Leaving the American Sector" in four languages. It disappeared Feb. 5, but officials at the House at Checkpoint Charlie waited to report it missing, hoping it would be returned, the museum's director, Rainer Hildebrandt, said Monday.

The sign was hanging by a former watchtower at what used to be the Berlin Wall crossing point named Checkpoint Charlie in central Berlin.

TRAVEL UPDATE

A New London-Brussels Route

BRUSSELS (Reuters) — The no-frills airline Virgin Express and the Belgian carrier Sabena are planning a code-sharing deal for flights between London's Stansted airport and Brussels, a Sabena spokesman said Monday.

"Negotiations are already at a well-advanced stage," Eric Platteau said. "It could be just a matter of weeks." Virgin Express and Sabena already share codes for flights between Brussels and London Heathrow, London Gatwick, Rome and Barcelona.

Relief Flights Open to Burundi

NAIROBI (AFP) — Kenya Airways on Tuesday will begin weekly relief and diplomatic carrier flights to Bujumbura, the capital of Burundi, despite an embargo on the embattled central African country.

"Kenya Airways has agreed to re-establish a humanitarian diplomatic air bridge between Nairobi and Bujumbura," a source at the UN humanitarian affairs coordination office in the Kenyan capital.

Robbers in Kenya Kill U.K. Tourist

The Associated Press

NAIROBI — A British tourist visiting a Kenyan game park was stabbed to death by suspected robbers, the British High Commission said Monday.

The tourist, Roy Chivers, 58, was stabbed Sunday outside Aberdare Country Club, 225 kilometers (140 miles) north of Nairobi. His wife, Sandra, was with him, but was not hurt.

WEATHER

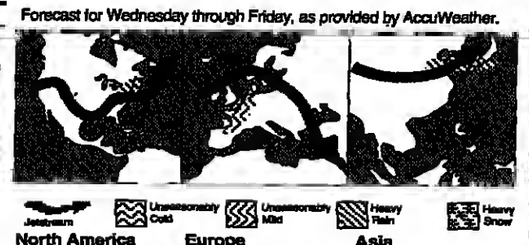
Europe

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Algarve	21/70	12/53 s	20/68	12/53 pc
Amsterdam	9/48	6/43 pc	11/52	7/44 pc
Ankara	8/46	-1/31 sh	0/32	-1/31 sn
Athens	18/64	8/46 pc	9/48	1/34 pc
Barcelona	16/61	6/43 s	14/57	7/44 s
Belgrade	8/46	-7/20 sh	2/35	-2/29 pc
Berlin	5/41	2/35 pc	12/53	9/48 pc
Brussels	9/48	5/41 pc	11/52	8/46 pc
Budapest	5/41	-9/22 pc	3/35	3/35 pc
Copenhagen	3/37	-2/35 pc	11/52	8/46 c
Costa Del Sol	23/73	11/52 pc	18/66	11/52 pc
Dublin	13/55	8/46 c	12/53	9/48 pc
Edinburgh	13/53	9/48 c	12/53	6/43 pc
Florence	16/59	2/36 s	12/53	5/41 s
Frankfurt	1/34	-4/25 s	7/44	5/41 sh
Geneva	7/44	2/35 pc	11/52	4/39 s
Helsinki	-11/13	-18/4 pc	1/34	0/32 i
Istanbul	13/55	4/39 sh	4/39	-3/27 pc
Kiev	3/37	-13/9 c	-9/22	-7/20 pc
Las Palmas	26/79	20/68 pc	25/77	19/66 pc
Lisbon	18/64	9/48 s	18/61	11/52 pc
London	13/55	8/46 s	14/57	8/46 s
Madrid	20/68	7/44 pc	18/64	6/43 pc
Mallorca	17/62	4/39 pc	17/62	5/43 s
Milan	12/53	1/34 s	13/55	4/39 s
Moscow	-6/22	-21/-5 c	-1/47	-1/47 pc
Munich	6/43	-3/27 pc	9/48	3/37 pc
Nice	17/62	7/44 s	16/61	9/48 s
Oslo	3/37	-2/35 sn	10/50	4/39 pc
Paris	11/52	4/39 s	13/55	5/41 pc
Prague	4/39	-4/25 pc	6/43	4/39 sh
Reykjavik	7/44	4/39 r	5/41	-2/29 c
Riga	-4/25	-11/13 pc	3/37	2/35 sn
Rome	17/62	4/39 pc	17/62	9/48 s
St. Petersburg	-12/11	-1/72 pc	-4/25	-5/24 sn
Stockholm	-3/27	-4/25 pc	7/44	4/39 c
Strasbourg	7/44	2/35 pc	11/52	6/43 s
Tallinn	-9/16	-13/9 pc	2/35	1/34 sn
Tbilisi	8/46	3/37 c	12/53	-2/29 sh
Venice	13/55	1/34 s	11/52	5/41 s
Vienna	8/46	1/34 pc	11/52	8/46 pc
Warsaw	3/37	-4/25 pc	7/44	5/41 c
Zurich	6/43	1/34 pc	9/48	4/39 s

Middle East

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Abu Dhabi	23/73	8/46 s	25/77	13/55 s
Beirut	17/62	11/52 pc	18/61	11/52 s
Cairo	18/64	5/41 s	19/66	8/46 s
Damascus	12/53	2/35 pc	14/57	4/39 c
Jerusalem	10/50	2/35 pc	13/55	4/39 pc
Luxor	23/73	3/37 s	25/77	4/39 s
Riyadh	20/68	7/44 s	26/79	10/50 s

Forecast for Wednesday through Friday, as provided by AccuWeather.



North America
Sunny, dry and mild in the Southwest Wednesday and Thursday, but a storm bringing rain to California Thursday night will spread showers across Arizona Friday. Stormy from North Carolina to New England with soaking rain and strong winds, causing coastal flooding and beach erosion.

Europe
Sunny, dry and unseasonably warm from Spain to England and eastward across much of Europe Wednesday through Friday. Highs will be from the lower 20s in Madrid and Rome to the middle teens in Paris and London. Cold with snow and flurries in northern Scandinavia and eastern Russia.

Asia
Partly sunny and mild in Nagano and across most of Japan Wednesday and Thursday, then colder with rain and mountain snow Friday. Chilly with snow in Beijing Wednesday, then dry and cold. A band of soaking rain will reach from near Shanghai to southern Japan. Sunny and dry in Vietnam.

Maps, forecasts and data provided by AccuWeather, Inc. ©1998 • http://www.accuweather.com

North America

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Anchorage	2/36	-3/27 i	2/36	-7/20 sn
Atlanta	13/55	4/39 sh	16/61	6/43 pc
Boston	4/39	1/34 r	3/37	-1/31 r
Chicago	8/46	2/35 r	8/46	1/34 c
Dallas	17/62	4/39 pc	17/62	6/43 pc
Denver	8/46	-2/29 pc	8/46	-1/31 c
Detroit	7/44	1/34 r	8/46	0/32 sh
Honolulu	26/79	17/62 pc	30/86	22/71 pc
Houston	20/68	8/46 s	20/68	7/44 pc
Los Angeles	13/55	8/46 sh	19/66	7/44 pc
Miami	24/75	13/55 pc	27/80	18/64 pc
Minneapolis	3/37	-1/31 sn	6/43	-1/31 c
Montreal	2/37	-5/24 c	5/41	-3/27 sn
Nassau	29/84	21/70 r	28/82	21/70 pc
New York	6/43	3/37 r	7/44	2/35 r
Orlando	23/73	8/46 s	24/75	12/53 pc
Phoenix	16/61	7/44 r	17/62	6/43 pc
San Fran.	12/53	7/44 sh	14/57	8/46 sh
Seattle	10/50	4/39 sh	12/53	5/41 r
Toronto	6/43	-1/31 r	7/44	-1/31 sn
Vancouver	10/50	3/37 sh	8/46	3/37 sh
Washington	9/48	4/39 r	10/50	3/37 sh

Legend: s-sunny, pc-partly cloudy, c-cloudy, sh-showers, t-thunderstorms, r-rain, sf-snow flurries, sn-snow, i-ice, W-Weather.

Asia

	Today High C/F	Today Low W C/F	Tomorrow High C/F	Tomorrow Low W C/F
Almaty	-2/29	-11/13 sn	-6/18	-9/18 sn
Bali	33/91	24/75 r	33/91	23/73 c
Bangkok	34/93	23/73 s	33/91	23/73 s
Beijing	9/48	-2/29 s	7/44	3/37 pc
Bombay	28/82	16/61 s	29/84	17/62 s
Calcutta	30/86	17/62 pc	29/84	16/61 s
Chiang Mai	34/93	13/55 s	33/91	14/57 s
Colombo	29/84	23/73 pc	29/84	22/71 c
Hanoi	26/79	20/68 s	24/75	21/70 pc
Ho Chi Minh	37/98	24/75 s	35/95	24/75 pc
Hong Kong	24/75	19/66 r	23/73	19/66 c
Islamabad	14/57	9/48 r	17/62	1/34 sh
Jakarta	31/88	24/75 c	30/86	24/75 pc
Karachi	22/71	11/52 pc	23/73	9/48 s
K. Lumpur	32/89	22/71 r	33/91	23/73 pc
K. Kinabalu	32/89	23/73 s	31/88	23/73 pc
Manila	32/89	22/71 pc	31/88	20/68 pc
New Delhi	28/79	10/50 s	24/75	6/43 pc
Phnom Penh	37/98	23/73 s	35/95	23/73 pc
Phuket	34/93	23/73 s	33/91	23/73 s
Rangoon	33/91	18/61 s	33/91	18/61 s
Seoul	6/43	-4/25 s	8/46	-1/31 s
Shanghai	14/57	7/44 c	13/55	11/52 r
Singapore	29/84	23/73 pc	29/84	24/75 pc
Taipei	24/75	19/66 r	24/75	19/66 c
Tokyo	7/44	-1/31 pc	6/43	2/35 s
Vientiane	33/91	16/61 s	33/91	17/62 s

Africa

Algiers	20/68	6/43 s	17/62	7/44 s
Cape Town	29/84	19/66 s	34/93	21/70 pc
Casablanca	23/73	12/53 pc	24/75	14/57 pc
Harare	29/79	9/48 sh	28/82	7/44 pc
Lagos	31/88	24/75 pc	31/88	24/75 pc
Nairobi	28/82	14/57 c	29/84	13/55 c
Tunis	18/64	7/44 s	15/59	6/43 s

Latin America

Buenos Aires	26/79	23/73 r	31/88	21/70 r
Caracas	28/82	18/64 s	26/79	19/66 pc
Lima	29/84	22/71 r	28/82	23/73 c
Mexico City	28/82	6/43 s	27/80	10/50 s
Rio de Janeiro	28/82	22/71 pc	29/84	24/75 r
Santiago	27/80	8/46 s	24/75	7/44 sf

Oceania

Auckland	22/71	13/55 sh	22/71	13/55 sh
Sydney	20/68	15/59 s	24/75	13/55 s

Printed by Newsfax International, London. Registered as a newspaper at the post office.

THE AMERICAS

Traffickers Flood Puerto Rico With Drugs

By Douglas Farah and Serge F. Kovaleski
Washington Post Service

SAN JUAN, Puerto Rico — A shift in tactics by cocaine and heroin traffickers has made this island territory the most important way station of a burgeoning smuggling route through the Caribbean, law enforcement officials and experts on the drug trade say.

Colombian drug rings, which produce virtually all of the world's cocaine and an increasing amount of its heroin, have shipped most of their U.S.-bound drugs through Mexico in recent years. While that remains the dominant route, stepped-up interdiction efforts at the U.S.-Mexico border — plus the ever-increasing demands of Mexican traffickers — have led the Colombians to diversify by putting new emphasis on the Caribbean.

"The Colombian groups have subcontracted their Caribbean smuggling to Puerto Rico-based trafficking gangs whose leaders are from the Dominican Republic, according to law enforcement officials. The Dominicans ship the cocaine and heroin via islands throughout the Caribbean, often using small, fast boats that are almost certain to escape detection by law enforcement agencies — and that can easily outrun any patrol craft that happens to get lucky.

A given shipment of cocaine or heroin might hopscotch its way north through several island nations, authorities say. But for the Dominican traffickers, all roads eventually lead to Puerto Rico.

Since Puerto Rico is a U.S. territory, there are no customs checks between the island and the American mainland. The traffickers apparently consider shipping the drugs onward to their destinations in Washington or New York or Chicago a mere formality.

"Once the drugs are in Puerto Rico, they might as well be in Kansas," said Felix Jimenez, special agent in charge of the Caribbean for the U.S. Drug Enforcement Administration. "There are 72 flights a day from here to the mainland, and San Juan is the busiest port in the Caribbean and the fourth-busiest in the United States. You can put coke on a plane here and have it in Los Angeles in less than 24 hours."

The UN Drug Control Program, in a report to a regional conference held in Santo Domingo, Dominican Republic, in December, estimated that 250 tons of cocaine destined for the U.S. market, or about 40 percent of the total, passed through the Caribbean. This is a significant increase over estimates a year ago that about 30 percent of the cocaine reaching the United States passed through the Caribbean.

In addition, law enforcement officials said, almost all the growing flow of Colombian heroin passes through Puerto Rico on its way to the lucrative markets of the eastern seaboard of the United States.

The illicit flow of cocaine and heroin has brought with it a sharp increase in crime and drug abuse, with National Guardsmen at times patrolling the most drug-infested housing projects here and police sealing off whole neighborhoods for drug sweeps. The drug trade, Governor Pedro Rossello said in a recent interview, "is the biggest threat that we have to the existence of our society as we know it."

Mr. Rossello said drug trafficking had "wreaked havoc on Puerto Rico" and was his administration's top priority.

"It has poisoned our youth and injured our capability for the future," he said. "All we want to do is raise the resistance so that the traffic will be shifted elsewhere."

Mr. Rossello is not alone in his lament. Throughout the Caribbean, the authorities say, drug trafficking has brought social, political and economic problems that threaten to overwhelm often fragile governments.

For example, in the Dominican Republic — the home of the major new Caribbean traffickers — officials estimate that of a population of 8 million, at least a half-million Dominicans used cocaine or marijuana last year. Officials estimate that as much as $1 billion in illegal drug profits was laundered through the nation's financial system last year. Of 10,000 drug cases in the past seven years, fewer than 100 have resulted in prison sentences.

Pino Arlacchi, undersecretary-general for drugs and crime at the United Nations, said at the Santo Domingo conference that the Caribbean was being swept up in a global trend in which "vast sums of illicitly acquired monies allow drug criminals to gain political and economic power and corrupt democratic institutions."

"The sad reality is that drug trafficking and abuse, as well as the legitimization of the proceeds of criminal activity, are negatively affecting the Caribbean in terms of health, corruption, internal security, violence, economic development and the integrity of financial institutions," Mr. Arlacchi said. "The corruption that exists in parts of the region helps drug criminals to damage the Caribbean social fabric. We must avoid letting traffickers deepen their roots."

"Poverty and the drug trade are related," he added. "Fragile and distorted economies, poor governments and corruption are the inevitable consequences of criminal activities."

Rich O'Neal/The Associated Press

REMEMBER THE MAINE — William Cassidy, assistant secretary of the U.S. Navy, speaking at a ceremony in Key West, Florida, commemorating the sinking of the battleship 100 years ago off of Cuba.

Away From Politics

• Once among the most dependable workers in America, doctors have been leaving their jobs in sharply rising numbers to collect disability benefits. Surveys show that many doctors are dissatisfied with changes in the health-care system, and insurers said declining morale might be a key factor in the growth of disability claims. *(WP)*

• The Nashville Banner will cease publication after 122 years. The shutdown of the afternoon daily will leave Nashville with its morning daily, The Tennessean, which is owned by Gannen Co. The papers had been run under a joint operating agreement. *(AP)*

• Judges should explore the use of neutral experts and other new ways to ensure sound decisions in cases involving complex scientific issues, Supreme Court Justice Stephen Breyer said. "As society becomes more dependent for its well-being upon scientifically complex technology, we find that this technology increasingly underlies legal issues of importance to all of us," he said at a meeting of the American Association for the Advancement of Science. *(AP)*

Clinton Ex-Aide Sees 'Something More' in Case

By Peter Baker
Washington Post Service

WASHINGTON — President Bill Clinton's former top aide has said that "obviously there was something more here" than the president has disclosed regarding his relationship with Monica Lewinsky, and he called on Mr. Clinton to come forward and explain it to the American public.

Leon Panetta, who served as White House chief of staff until January 1997, said he accepted Mr. Clinton's statement that he never had sexual relations with Ms. Lewinsky and never told her to lie under oath. But Mr. Panetta added that it was increasingly clear that Mr. Clinton had some sort of relationship with Ms. Lewinsky.

"I take him at his word, and I think the American people take him at his word," Mr. Panetta said on ABC. "They're willing to give him the benefit of the doubt. But I also think that at some point he's got to tell the American people the truth of what was behind this relationship. Obviously, there was something more here. And it's got to be explained to the American people."

Mr. Panetta's comments are the latest from Mr. Clinton's own circle suggesting he has not been fully candid with the public about Ms. Lewinsky and hinting at considerable doubt among those who have been closest to him. Shortly after the Lewinsky story broke, Mr. Panetta suggested the possibility of a presidential resignation if the allegations were true.

George Stephanopoulos and Dee Dee Myers, both former White House aides, also have made statements expressing skepticism. Even the current White House press secretary, Michael McCurry, has publicly pondered what the ramifications would be if Mr. Clinton were lying.

Moments after Mr. Panetta's appearance, Mr. Stephanopoulos, now an ABC commentator, echoed his sentiment, citing the three dozen times Ms. Lewinsky returned to the White House after leaving her low-level job there in April 1996. "It's pretty clear that there was some relationship here," Mr. Stephanopoulos said. "It's not normal to have that many visits with an intern."

The White House declined to respond formally to Mr. Panetta's statement Sunday, but aides made clear that they were unhappy with it. From their point of view, anything that focuses attention back on Mr. Clinton's behavior rather than on the conduct of Kenneth Starr, the independent counsel investigating the case, is unwelcome.

The degree to which the White House has been successful in shifting attention to Mr. Starr was evident Sunday when one of the prosecutor's leading Republican defenders said someone else should have been chosen to look into the Lewinsky matter.

Senator Arlen Specter, Republican of Pennsylvania, a member of the Senate Judiciary Committee, said Mr. Starr could not be seen as a neutral party in the case because of his long history of investigations into the Whitewater land-development case in Arkansas and other matters connected to the Clinton White House.

Instead, Mr. Specter said, Attorney General Janet Reno should have asked for a new independent counsel to investigate whether Mr. Clinton had tried to obstruct justice, in the sexual-harassment suit brought against the president by Paula Jones, by urging Ms. Lewinsky to lie under oath about having had an affair.

"In the context where Starr has been in this matter for so long, and many people think he's out to get the president, and you have this adverse public reaction to Starr, I think it would have been much wiser had someone other than Starr run this phase of the investigation," Mr. Specter said on Fox News.

Until now, Republicans have steadfastly defended Mr. Starr's actions, but Mr. Specter's comments indicated that at least some Republican leaders have begun to conclude that he has become too much of a lightning rod.

If Mr. Starr is seen as too partisan, as polls indicate, it will be more difficult for Congress to pursue impeachment proceedings based on his investigation.

Mr. Starr became involved in the Lewinsky case after he was approached by her friend Linda Tripp with tape recordings of conversations Ms. Tripp had had with Ms. Lewinsky about the president.

Mr. Specter, a former prosecutor who has spoken with Mr. Starr since the crisis erupted, said the independent counsel's tactics had been aggressive but not excessive.

"Starr was right," he said. "He went right up to the line. He hasn't crossed the line for prosecutorial action, but he's gone right up to the line."

POLITICAL NOTES

A Very Good Governor

ATLANTA — The joke making the rounds under Georgia's gold dome these days is that Governor Zell Miller has achieved an extraordinary approval rating of 77 percent, and that he has somehow managed to do so without being accused of having sex with an intern.

Some governors limp out of office, bruised by years of scandal, legislative warfare and political miscalculation. Mr. Miller, by contrast, is skipping homeward like a schoolboy on the last day of class.

In his eighth scandal-free year in office, the 65-year-old Democrat has received the highest approval ratings of his tenure, in a Georgia State University poll released this month. His ratings, which have risen gradually and consistently throughout his two terms, hardly varied by gender, race, age, income or political party.

Mr. Miller is prohibited from running for a third consecutive term, and he has rejected entreaties to run for the U.S. Senate against Senator Paul Coverdell, choosing instead to return to his earlier calling as a college professor. *(NYT)*

Congressional Rematch

GARDEN GROVE, California — Kicking off what promises to be an expensive and rancorous campaign on both sides, Robert Dornan, a Republican, has announced a nine-month fight to win back his former seat in Congress from Representative Loretta Sanchez, a California Democrat.

The declaration came Saturday just two days after Ms. Sanchez announced she would run for re-election and Congress turned aside Mr. Dornan's 15-month challenge to her 984-vote victory in 1996. The Republican-dominated Congress said it had uncovered voting by noncitizens and other irregularities, but too few to cast doubt on the result.

Both sides said they expected to spend at least $2.5 million each, much of it on direct mail and television. Mr. Dornan first must win the nomination against Superior Court Judge James Gray; Lisa Hughes, a lawyer, and Bob Zemel, an Anaheim City Council member. *(LAT)*

Quote/Unquote

Jay Waks, co-chairman of the employment law department of Kaye, Scholer, a New York law firm, on the impact of the allegations swirling around Washington on workplace policies that discourage relationships with lower-level employees: "Someone like the president sets the tone, and right now he's singing off-key. Some companies are concerned that certain executives may lead by his example, rather than rigorously enforce sexual harassment policies." *(NYT)*

Hearings Begin on Quebec Secession

The Associated Press

OTTAWA — Canada's Supreme Court opened hearings Monday on whether Quebec has the right to secede unilaterally and declare independence.

Chief Justice Antonio Lamer calls this the country's most important legal case ever.

"It's obviously the most important case," Justice Lamer said, "because it goes to the very existence of the composition of our country."

The oral arguments before Justice Lamer's court are expected to last through this week. A ruling is expected within six months.

If the court rules that Quebec cannot secede without the rest of Canada's consent, there could be a backlash in the mostly French-speaking province that would intensify the already strong drive for independence.

"It will plunge us into a kind of political crisis," Quebec's separatist premier, Lucien Bouchard, said of a ruling restricting the province's options.

The case was initiated by the federal government of Prime Minister Jean Chretien, a Quebecker who opposes secession. Ever since the separatists' near-victory in a 1995 referendum on independence, Mr. Chretien has been struggling to thwart their ambitions.

Last year, hoping to persuade Quebeckers that secession could not be quick and painless, Mr. Chretien's government asked the Supreme Court to rule on three questions:

• Can Quebec unilaterally secede under Canada's Constitution?

• Does international law give the province the right to secede?

If international and domestic law conflict, which takes precedence?

Mr. Chretien says he would not oppose independence for Quebec under certain circumstances — if a decisive majority of Quebeckers voted for secession, if other provinces consented and if Quebec negotiated in good faith on the details of a breakaway.

AMERICAN TOPICS

Remote Colorado School Ends Its Isolation With Internet

On the high Colorado plains between Cope and Last Chance, the remote town of Arickaree has no stores, not even a post office. With Internet, however, its school is becoming one of the best around, and its people more "wired" than many in big cities.

The 143 students in the 12-grade school have access to 70 computers, 58 with full Internet hookups, and a fiber-optic classroom linked to several distant classrooms.

High-tech communications are shattering the isolation of remote schools, farms, ranches and businesses across the Colorado plains and elsewhere in the West, reports The Denver Post. In Last Chance, the volunteer fire department has its own Web site, as does the local ice cream stand.

Per-capita use of the Internet is probably greater than in Denver, the state's capital, largely because big agricultural businesses were among the first to embrace the immense practicality of computers for staying abreast of changes in weather, or in wheat and corn prices, and for breaking the rural isolation.

Arickaree School, helped by the high-tech approach adopted three years ago and the small size of its classes, has achieved a 100 percent graduation rate the past two years. Seniors earn college credits through the fiber-optic classroom.

But students know that the high-tech link is subject to the rigors of high plains life. Not long ago, the fiber-optic classroom network was knocked off the air — by a gopher chewing through the cable.

Short Takes

For years the lore at Harvard University was that the reason students had to pass a swimming test to graduate was the sinking of the Titanic — more precisely, the terms of a $2 million bequest by Eleanor Widener to build a library there after her son Harry drowned in the disaster. (To a friend who urged him to jump, he replied, "I think I'll stick to the big ship, Billy, and take a chance.")

The requirement — four laps in the pool, using any stroke — had struck fear into the hearts of many a young landlubber, reports The Boston Globe. In 1973, a Nigerian student showed up in full tribal dress, saying there were "evil spirits" in the water. He was given a religious exemption.

It turns out that the requirement has its roots in an old naval reserve-officer training program at the school.

Accordions, cool? The humble squeezebox, hip? So it seems. Sales of what the French call the "poor man's piano" are up, and increasingly the sound of the accordion is heard in mainstream popular recordings by stars such as Billy Joel and Paul Simon.

The accordion had its heyday in the United States in the '50s, when accordionists worked in big bands and accordion schools enrolled thousands. But increasingly it was drowned out by the electric guitar.

Now the accordion has regained a certain retro-ethno-authento-funkiness. The Hohner music company in Ashland, Virginia, says sales are up 20 percent over a year ago, and a three-CD set is out called "Planet Squeezebox."

Brian Knowlton

ASIA/PACIFIC

Amid the Turmoil, Indonesians Keep Faith in the Military

By Seth Mydans
New York Times Service

JAKARTA — As buildings burned and soldiers chased down rioters here in the capital 18 months ago, several hundred excited college students debated whether to join the melee. What they did oext might have happened only in Indonesia: They raised a cheer for the troops.

Those riots erupted after the police and military forces stormed the headquarters of the opposition Indonesian Democratic Party to end its occupation by supporters of Megawati Sukarnoputri, the party's leader.

This past week, as tensions stemming from the Asian financial crisis rose, a leading editor lowered his voice as he said things about the government that he would never dare to print. But there was nothing secret about what he said next: The arm of government he respects the most is the military.

"They are the one institution that assures that the country holds together," he said.

At this critical moment for the country, the armed forces are mostly seen here not as a threat but as a promise of stability. With the country's economy collapsing, with its political future uncertain and with price riots flaring from town to town, the military is described here as the backbone of Indonesia.

But praise for its methods is far from unanimous. It is blamed for human rights abuses that include massacres of separatists in East Timor, arrests and mistreatment of dissidents and labor leaders and abuses of power in towns and villages where it is the principal authority.

It is also accused of widespread corruption that ranges from exchanges of favors with local businessmeo, to illegal logging and mining, to huge financial deals with powerful conglomerates.

But it is still respected among Indonesians as the army of liberation from Dutch colonialism a half-century ago and as a continuing symbol of nationhood.

As the full force of Indonesia's economic meltdown hit the country a month ago, causing a wave of panic buying, rumors circulated that the military might stage a coup against President Suharto. But virtually every political expert here says there is almost no chance of that unless Indonesia disintegrates into chaos.

The military is an integral part of Mr. Suharto's administration and a powerful force at every level of government. Internal rivalries aside, experts say, it is united in its loyalty to the president.

By constantly shuffling its leadership over the years, by placing his personal aides in top commands and by ensuring that these commanders have different personal backgrounds and agendas, Mr. Suharto has seen to it that all lines of command flow directly to him.

"His strategy for preventing a coup is to make sure the top four or five people with command of troops are oot really great friends with each other, so that if one wanted to make a move, there would be two or three against him," said Harold Crouch, an expert on the Indonesian military at the Australian National University in Canberra.

This is a high-profile moment for the armed forces, with unemployment and rising prices putting a strain on public order and with an electoral assembly due to confirm Mr. Suharto for a seventh five-year term oext mooth.

In addition to being a visible presence in the streets, accompanied by warnings that it will brook no disorders, the military is a crucial player in the formation of a new government.

With Mr. Suharto's re-election assured, the key question is who he will name as his vice president and potential successor. Mr. Suharto has hinted at his preference for a long-serving aide, B. J. Habibie, and two of the three approved political parties appear to have seconded him. But the military has not yet spoken, and until it does, no decisioo will be final.

In a nation with a leadership widely viewed as corrupt and a huge but ineffectual bureaucracy, said a member of Parliament, the military "is the only institution with a national ideology, with clear lines of authority and with a national system of discipline."

At the heart of the military's wide-ranging role is a home-grown philosophy known as *dwifungsi*, or dual function. It is a rather vague and shifting philosophy with one clear meaning: In addition to the usual military duties, the armed forces have an explicit legal role as part of Indonesia's government and administration.

Seventy-five seats in the 500-member Parliament are reserved for the military — in addition to any elected seats held by military officers. A significant oumber of government posts, including nearly half of provincial governorships, are held by military men. Cabinet ministers, senior civil servants, ambassadors and directors of state corporations are often soldiers.

Despite its broad political role, the Indonesian military inclndes fewer than 300,000 troops in a nation of 200 million people— smaller in proportion to population than such neighboring nations as Singapore and Malaysia.

But in the absence of any clear external threat, only about one-third of this number is engaged in traditional military duties. The remainder are in territorial units that function in parallel with the civilian administration in even the smallest towns.

Their duties include not only maintaining public order but also monitoring political parties, nongovernmental organizations and religious and labor groups to assure they do not mobilize political opposition.

In this role, the military is often heavy-handed. Two years ago, it engineered the ouster of Mrs. Megawati, an increasingly outspoken opposition leader, as leader of one of the country's three approved parties.

But military experts say that a younger, better-educated generation is moving up throngh the ranks, and the nature of Indonesia's future governments is being debated as vigorously within the military as outside it.

According to one Western expert, a significant number of younger officers would prefer to withdraw from many civil functions and "lead from the rear," keeping a careful eye on an increasingly demilitarized civil administration.

At the same time, military academies have begun offering courses in human rights issues and in the proper handling of unruly crowds.

Significantly, in a few cases over the past two years, military courts have given prison sentences to soldiers convicted in the deaths of civilians.

■ **New Commander Named**

Mr. Suharto on Monday installed General Wiranto, a trusted former aide, as armed forces commander, The Associated Press reported.

"The armed forces are fully in control and can manage the situation," General Wiranto said after he was sworn in. He denied that the ecooomic crisis alone was the reasoo for the unrest in Indonesia and blamed "certain groups" for fomenting trouhle and spreading rumors. He did not elaborate.

The Associated Press

General Wiranto, Indonesia's new military chief, at his installation Monday with his wife, Uga, and Mr. Suharto.

Police Warn They'll Shoot In Price Riots

Compiled by Our Staff From Dispatches

JAKARTA — As sporadic looting and protests against price increases continued, Indonesian police warned Monday they would shoot rioters who posed a danger to others.

"That is right, shoot on sight," a police spokesman, Soetrisno, was quoted by the official Antara oews agency as saying from the East Java capital of Surabaya.

Five people have died in the riots, which have been set off by rising prices of basic commodities, with ethnic Chinese shop owners bearing the brunt of popular anger.

Mr. Soetrisno, commeoting on reports that crime and riots could increase with the firing of hundreds of thousands of workers, said the police had not found any link between crime and unemployment.

"But then again, the calm may only be on the surface," he said. "There may be underground movements which we should be aware of."

Despite the shoot-on-sight warning from the police and warnings from the military that it would act against those who threatened stability, thousands of people took to the streets in South Sumatra and West Java on Monday, the police said.

In Pagar Alam, a remote town on the island of Sumatra, about 480 kilometers (300 miles) northwest of Jakarta, hundreds of youths and school children damaged three Chinese-owned shops.

In Pengalengan, 176 kilometers east of the capital, a mob of 500 ransacked Chinese stores and threw stones. There were no reports of injuries from the two attacks.

Chinese merchants dominate the country's economy and are often targets for those frustrated with living standards.

Officials in Jakarta have pledged to keep the capital free from politically motivated protests as the couotry prepares for a presidential electioo in March. They say protesters could be jailed for up to five years. *(Reuters, AP)*

CRASH: *China Airlines' Jet Bursts Into Flames in Taipei Landing*

Continued from Page 1

The cause of the crash was not immediately clear, although Hsu Lu, general manager of the Voice of Taipei radio station, said in an interview that her news staff was reporting that visibility was bad at the time and that the control tower had asked the pilot not to land.

Her account could not be immediately confirmed.

There appeared to be no survivors.

"In view of the gravity of the disaster, it would be very difficult for anyone to survive this disaster," Wei Hsun-chih, deputy director of the airport, was quoted as saying by Taiwan's Central News Agency.

As the plane, an Airbus 300 jumbo jet, attempted to land it slammed into at least four houses several hundred yards short of the airport runway, setting them on fire.

Flames poured from the first and second floors of the buildings as firefighters sought to extinguish fires from the airplane wreckage and the burning homes, according to pictures broadcast by the BBC.

Thick smoke billowed from pieces of the plane, including what appeared to be the plane's engines.

A Central News Agency reporter at the scene described charred body parts being scattered over fields and on a road running near the airport.

A woman surnamed Chen who was watching her home burn was quoted as saying "there were people in the house, but it's totally finished."

As Central Bank governor, Mr. Sheu had been credited with adhering to a conservative monetary policy that helped Taiwan thrive amid the region's economic crisis.

Born in 1927 in Taipei, Mr. Sheu worked in a series of banks before being elevated to the post of central bank governor in 1995.

China Airlines has had a history of safety problems that only began to be resolved last year.

In 1994, an Airbus identical to the one that crashed Monday evening, crashed at Nagoya airport in Japan. And in 1993, a new China Airlines Boeing 747-400 skidded off a slick runway at Hong Kong's Kai Tak airport into Victoria Harbor.

No one was killed in that accident, but the $140 million plane was destroyed.

The airbus that crashed Monday night, China Airlines flight 676, was due to land at 8 P.M. but went down at 8:05 P.M., according to the China News Agency.

A 10-year-old boy was pulled alive from the wreckage, according to Ms. Hsu of the Voice of Taipei radio, but he later died.

"It seems like there was no visibility," said Ms. Hsu, who said she was repeating what her news reporters from the scene had told her.

"The tower staff asked them to fly around and not to land. But after that they lost contact with the airplane."

BRIEFLY

Weather Blocks Aid To Afghan Victims

RUSTAK, Afghanistan — Bad weather forced two United Nations planes packed with supplies for thousands of earthquake survivors to abort a landing Monday and return to Pakistan, witnesses said.

The weather also prevented two Russian-made cargo planes from leaving northern Afghanistan to pick up more supplies in Pakistan, said Nadeem Kiyani, a Pakistani Foreign Ministry spokesman. The planes were provided by the opposition alliance that controls the area.

The aircraft were trying to ferry aid to the survivors of a 6.1-magnitude quake that devastated the northern region Feb. 4. At least 4,500 people are reported to have died in the quake and landslides triggered by aftershocks. *(AP)*

Hong Kong Protest Yields No Jail Time

HONG KONG — Four labor campaigners were convicted Monday of disrupting the legislature with protests over workers' rights; but they received light sentences.

Magistrate David John Dufton convicted the four of causing disturbances that interrupted meetings in July and October. They were released on condition that they avoid any arrests in the next six months.

Leung Kwok-hung, Koo Sze-yiu, Cheng Ki-kin and Ng Kung-siu were the first to be arrested for staging unauthorized protests after Hong Kong returned to Chinese rule last summer. Protests remain legal in Hong Kong if they are approved in advance by the police. The four men and a handful of supporters protested near the courthouse Monday shortly before the hearing. *(AP)*

Hanoi Lets Media Visit Restless Area

HANOI — Vietnam said Monday that it was lifting a 10-month ban oo travel by foreign journalists to a northern province that has been the scene of months of unrest.

A Foreign Ministry official said permission had been given to journalists to visit Thai Binh Province on a specially arranged trip this week.

No reasons were given for the lifting of the ban, which was imposed last year after protests against local state officials turned violent. Residents say the province, 80 kilometers (50 miles) southeast of Hanoi, has been calm in recent weeks. *(Reuters)*

For the Record

The police were on high alert in the central Chinese city of Wuhan, a state newspaper said Monday, following the deaths of at least 16 people in an explosion apparently caused by a bomb that ripped apart a bus. The police remained tight-lipped about the cause of the blast Saturday. *(Reuters)*

U.K. Seeks Expulsion Of Sinn Fein

2 Killings Are Cited As Peace Talks Resume

Compiled by Our Staff From Dispatches

DUBLIN — Britain called Mooday for Sinn Fein to be expelled from the Northern Ireland peace talks because of two killings linked to the party's allies in the Irish Republican Army.

The police have accused the IRA of violating its seven-month-old cease-fire — the primary condition for Sinn Fein's participation in negotiations on Northern Ireland's future — by killing a drug dealer and a Protestant militant last week.

Earlier Monday, Gerry Adams, the Sinn Fein leader, angrily predicted that Britain would force his party out of the talks.

"Can the cause of peace be helped by us being dumped out of here tomortow?" Mr. Adams asked as his delegation arrived at Dublin Castle, the center of British rule in Ireland before the predominantly Roman Catholic south won independence in 1922.

The Northern Ireland peace talks will be held here for three days this week.

"Why should anyooe wani to bring pressure upon the IRA to end killings when the IRA itself has said very publicly that their cease-fire is intact?" he asked. If Sinn Fein is expelled, he warned, it "may not come back."

The talks began in June 1996 and are supposed to conclude by May. The goal is to find a way to govern Northern Ireland that is acceptable to both its pro-British Protestant majority and the Catholic minority.

Last month, the British and Irish governments, which co-sponsor the talks, expelled representatives of the north's main pro-British Protestant paramilitary group, the Ulster Defense Association, because it had admitted killing Catholic civilians.

The Ulster Unionist Party, the main group representing Northern Ireland's Protestant majority, has threatened to pull out of the talks if Sinn Fein is not expelled.

John Taylor, deputy leader of the Unionists, said it was oonsense for Sinn Fein to say it had no connection with the IRA.

"They must go," he said on BBC radio. "You cannot have people who are involved in terrorist violence at the table of democracy."

Asked what would happen if Sinn Fein were not expelled, Mr. Taylor said: "We would have to retire to consider the situation because there is no way in which we could continue to sit at the table of democracy with people who have a paramilitary wing carrying out murders.

"You must remember that the IRA and Sinn Fein are the same organization. They are two branches of the one movement. It's simply nonsense for Sinn Fein to say they have no connection with the IRA," he added.

Officials in both governments said they weren't sure wheo a decisioo would be reached on Sinn Fein, since all seven parties in the talks will be allowed to present arguments first.

The governments probably would let Sinn Fein re-enter the peace process within several weeks — as long as the IRA is not implicated in any more killings. They have already made a similar offer to the Ulster Democratic Party, which could be back at the table later this month.

Sinn Fein, fearful of divisions erupting within party and IRA ranks, has suggested it would file a legal challenge in the Irish Republic's courts and organize mass protests in the north if the party is ordered out.

Sinn Fein says it should be treated separately from the IRA — even though the party's admissioo to the talks in September was dependent on the IRA's declaration of a cease-fire the previous July.

While saying the cease-fire is intact, the IRA has not confirmed or denied killing a drug dealer, Brendan Campbell, or Bobby Dougan, a member of the Ulster Defense Association.

On Friday, Northern Ireland's police chief, Ronnie Flanagan, concluded that the IRA killed both men.

The IRA has killed nine suspected drug dealers since 1995, and is believed to have targeted Mr. Dougan in retaliation after Protestant militants killed eight Catholic civilians in December and January. *(AP, Reuters)*

Mike Brown/Reuters

Mo Mowlam, Britain's secretary of state for Northern Ireland, being greeted by David Andrews, Irish minister for foreign affairs, and Junior Minister Liz O'Donnell as peace talks resumed at Dublin Castle on Monday.

Turkey Renews Drive To Curb Dissident Speech

Istanbul Mayor and Kurds' Party Are Charged

By Stephen Kinzer
New York Times Service

ISTANBUL — With two new indictments of prominent political figures, Turkish prosecutors have again signaled their determination to restrict speech that they believe endangers national unity.

The cases, one against the mayor of Istanbul and the other against the only legal Kurdish-based political party, seemed certain to increase criticism of Turkish laws that prohibit statements that in many other countries would be considered normal political discourse.

On Friday, prosecutors in the southeastern city of Diyarbakir filed charges against Mayor Reccep Tayip Erdogan of Istanbul in connection with a speech he made in the nearby town of Siirt last year. In that speech, Mr. Erdogan, who is a leader of the Islamic-oriented Welfare Party, said, "The mosques are our barracks, the domes are our helmets, the minarets are our swords, and the faithful are our army."

The indictment charged that by making that statement, Mr. Erdogan was calling on his supporters to form "an army of jihad," or holy war. It also charged him with "using democracy to establish an evil order." If convicted, he could face as much as three years in prison.

Last month, Turkey's highest court closed the Welfare Party, declaring that it sought to undermine the secular basis of the Turkish Republic.

The court also banned seven of the party's top leaders from politics, including its chairman, former Prime Minister Necmettin Erbakan. Since, then, there has been speculatioo that pro-Islamic politicians would form a new party, and that Mr. Erdogan, 43, would become its leader.

Mr. Erdogan has become a popular figure in Istanbul, Turkey's largest city, for restoring municipal services that had deteriorated and embarking on public-works projects.

Abdullah Gul, a Welfare leader who is a member of Parliament, said of Mr. Erdogan: "If you read the whole text of his speech, you will see that he was calling for unity, not provoking anyone or anything."

He added: "I have information that the Justice Minister called prosecutors in Diyarbakir and Siirt and urged them to push this case. They are also trying to lift my immunity and make a case against me. They say I am provoking the people, that I have made statements against the army."

At almost the same hour that the indictment of Mr. Erdogan was filed, a prosecutor in Ankara, the capital, announced that he was ordering the arrest of the entire 57-member directorate of the People's Democracy Party, one of the country's few legal pro-Kurdish organizations. Nine members of the directorate were reportedly taken into custody.

The party ran strongly in Kurdish districts in the 1996 naoonal election, but it failed to win 10 percent of the vote nationwide and, as a result, is not represented in Parliament.

Kurdish parties have had a difficult time operating in Turkey. The governmeot has closed a succession of them, insisting that they served as front groups for the rebel Kurdistan Workers Party, a guerrilla army that is waging a separatist war in southeastern provinces.

The leading Kurdish politician in Turkey, Leyla Zana, is serving a 15-year jail term after being convicted in 1994 of advocating separatism and supporting the Workers Party. But her image may form part of the case against the party.

Government officials have complained about a 1998 calendar that the People's Democracy Party produced and distributed. One page carries a photo of Ms. Zana, and another contains a list of Kurds and others who have been victims of "mystery killings" that some analysts attribute to government death squads.

"The calendar is an element of crime among others," the Ankara prosecutor, Talat Salih, told Reuters after he issued the arrest warrants Friday.

Mea Culpa! Odd Confessions (for a British Daily)

By Sarah Lyall
New York Times Service

LONDON — It is not news that newspapers make mistakes, garbling names, misquoting sources, reporting that a figure was $812 when it was actually, er, $812 million. But in Britain, the land that introduced the notion of "the fact too good to check," most newspapers are notoriously reluctant to print correcdons, except when the error is particularly glaring or the threat of legal action particularly pressing.

It is unclear whether the no-correction policy is based on arrogance or a feeling that mistakes are yesterday's news and thus oot worth revisiting.

But most reporters and editors here seem to regard confession as weakness, and to hope that nobody notices their errors. When one is caught, papers usually run a small, out-of-the-way correction, urge the complainant to write a letter, apologize or ignore the problem as too picayune to bother with.

"Corrections waste space," said an editor at The Sunday Times of Loodon, who spoke on the conditioo of anonymity. "If you say that someone is Mr. S. Biggles and he's really Mr. Y. Biggles, it gets very boring."

Bnt late last fall, The Guardian, the most leftish of London's so-called quality newspapers, decided to hring corrections out of the closet. It started a prominent daily column of mea culpas uoder the heading "Corrections and Clarifications."

Among other things, the corrections have dealt with spelling (the paper rendered Sir Norman Fowler as "Sir Normal Fowler"); geography (the paper mistakenly said that Germany shares a border with Italy) and fruit (the paper called lemons alkaline, when they are actually acidic).

Several have had to do with the customs of the animal world, as when an editorial that referred sentimentally to the nesting habits of the blue titmouse — or, the hlue tit, as it is known here — was found to have got those habits wrong. "Blue tits do not huild their nests in hedges," the correction read. "They prefer holes in tree trunks, amongst other locations."

Geoffrey Goodman, editor of the quarterly British Journalism Review, said: "This is the first national newspaper in Britain to do this sort of thing, and I think it's very courageous. There has been, for a long time, a feeling that the public is very skeptical about the things they read in the newspapers. I think what The Guardian is trying to do is to redress that balance, and give people the impression that newspapers do care."

But the fact that the newspaper — whose propensity for typos has earned it the nickname "The Graunlad" in the satirical magazine Private Eye — is now purposely drawing attenOon to its own failings has left some competitors bemused.

"The motivation behind it is very good, but some days there does seem to be an awful lot of them," said Patrick Barrow, a spokesman for The Sunday Telegraph and The Daily Telegraph.

In this candid new world, Ian Mayes, the new "reader's editor" of The Guardian, serves as general enforcer. Mr. Mayes, who presides over the corrections and writes a weekly column about the inner workings of the paper, spends much of his time ferreting out errors, responding to complaints from disgruntled readers and prodding reporters to check disputed facts.

Though Guardian reporters tend to joke that, as one said, "we all hiss whenever Ian comes near," they geoerally seem to feel that the new policy is good, even if it is an irritating form of tough love.

"Sometimes, as a journalist, it's mortifying to see what slips through," said Andrew Culf, the paper's night editor. "I think most people feel that it's a sign of a responsible newspaper that we're willing to put our mistakes right."

For Mr. Mayes, who used to be the paper's obituary editor ("I've moved from the dead to the injured," he said), the quest for accuracy is nothing less than a crusade.

"In a lot of papers, they see admitting a mistake as a sign of weakness," he said. "But if you feel that you're producing a newspaper with an intelligent readership, why not treat them as intelligent? Why oot display the same degree of openness and frankoess that we expect from others?"

Mr. Mayes, whose name appeared as "Ian Hayes" when he wrote his first article for The Guardian in 1963 (there was oo correction), acknowledges that the column is still in its infancy, finding its style and its voice. He is certainly amassing a small army of fans who apparently read it before they read anything else.

"The Graunlad's corrections are far, far more interesting than the original articles," Private Eye said.

One reader wrote in wistfully to say that he enjoyed The Guardian's tendency toward misprints. To which Mr. Mayes replied, "The time when The Guardian ceases to make mistakes altogether is oot, at the moment, foreseeable."

Serb Hard-Liners Grab a Share of Western Aid to Bosnia

By Mike O'Connor
New York Times Service

SOKOLAC, Bosnia-Herzegovina — Late last year, as U.S. and World Bank officials were negotiating the details of a $17 million aid program for Bosnian Serbs, they were given an nonnegotiable demand, the officials say.

Bosnian Serb authorides linked to the former Bosnian Serb leader Radovan Karadzic, wbo has been charged with war crimes, insisted that unless areas they controlled received 15 perceot of the money, they would hlock the whole deal.

With the Bosnian Serb member of the three-person Bosnian presidency threatening to veto the aid plan, the Serb officials got what they wanted and the deal went through. It became another chunk of the increasing flow of loans and grants to the part of Bosnia where the authorities are seen as implacable opponents of Western policy.

As the American government throws its weight behind a new group of Bosnian Serb politicians it says are more cooperative, Western governments are preparing to spend some $130 million on new aid projects in Bosnian Serb areas.

Diplomats in Bosnia and human rights monitors in Washington say they fear that some of the aid will strengthen leaders who oppose Western efforts to promote peace and ethnic tolerance or, through lax auditing, make those leaders richer.

The situation sharpens a dilemma long present in Western policy in Bosnia: the conflict between principle and practicality — whether aid should go to hard-core naoonalists, even criminals, in hopes of enocing them to become more moderate or merely as the unfortunate price of carrying out broader goals.

Following the U.S. lead, the West teapt to give financial snpport to Mr. Karadzic's successor, Biljana Plavsic, after she split with other nationalist politicians. American diplomats call the new Bosnian Serb president a moderate, though they acknowledge that her actions fall short of her promises to back Western efforts to carry out the peace accord that ended the Bosnian war two years ago.

That a lot of the aid goes to authorities who routinely renege on commitments is acceptable for now, in the view of the administrator of the United States Agency for Internaoonal Development, Brian Atwood.

Money is a tool for gaining influence and encouraging political change, he said.

"If we're too rigid on the terms we'd never move any money," Mr. Atwood said. "You do the best you can, hut it does no good to be so rigid you hasically don't engage."

A senior American official who is helping shape that policy concurred, saying, "Moral absolutism will not get us very far in Bosnia policy."

Aid organizations face a conflict between principle and practicality: Should some money be given to hard-core nationalists in hopes of enticing them to become more moderate?

He said that in the last few months some Bosnian Serb leaders had become tess difficult to deal with because they want Western aid.

In this small town, Sokolac, an agricultural center in mountains dabbed with sheep herds and rustic cottages that Bosnians consider the beartland of Serhian nationalism, tocal leaders are pleased to have been selected for a $750,000 World Bank loan to remake the water system.

They cannot explain, thoogh, how they met the criteria for the loan.

They say the water system is not below the level oeeded to satisfy basic human needs or protect the health of its 12,000 customers. Nor is it insufficient to snpply water for initial economic recovery. Only a leap in the town's growth would tax the system.

"We're hoping to have 30,000 people living here in a few years," said Mitar Odvic, the water system manager. "Coosidering that, what we have now is not adequate."

In Sokolac, the small group of Bosnian Serb men who control almost all governmeot, husiness and daily life have defied pressure to share power or allow thousands of refugees from other ethnic groups to return home.

In the benefits they will get from the World Bank loan, and in their opposition to the peace accord, they are typical of many authorities to whom financial aid is being directed.

Officials of Western assistance programs say money is always precisely targeted and scrupulously monitored. It is supposed to be for urgent needs, and only for areas where local authorities can be trusted to unify and stahilize the country by doing what was promised in the peace accord.

That accord recognized a Bosnian Serb Republic and a Muslim-Croat Federation in Bosnia. Two important elemeots of it that are nearly universally ignored in the Serb Republic are the arrest of war crimes suspects and the return of refugees.

But many experts say that without aid the Serb-controlled region will remain an economic wilderness, dragging down the rest of Bosnia.

"Their part of the country cannot make it back with the previous level of assistance," said Rory O'Sullivan, head of the World Bank mission in Bosnia. "If half of the country is dead economically, the whole country cannot survive."

Criocism of the aid programs comes from the belief that much of the money is going to the worst Bosnian Serh leaders, either throogh oversight, or so that they will not obstruct the aid that might help moderate leaders.

In the U.S. Congress there is also coocern that foreign aid money in Bosnia may not be achieving American goals as well as it should.

Thirteen lawmakers wrote Secretary of State Madeleine Albright asking her oot to approve the World Bank loans.

One of them, Senator Frank Lautenberg, Democrat of New Jersey, said in an interview that Congress sees little payoff for the money being spent.

"They'd better start showing results soon," he said. "There's not a lot of patience around here."

BRIEFLY

U.K. Prods Iran on Threat

LONDON — Britain said Monday it would do all it could to convince Iran to lift a fiine-year-old death threat against the writer Salman Rushdie.

Foreign Secretary Robin Cook held a 15-minute meeting with Mr. Rushdie and said afterward that Iran's chances of improving relations with the West would depend on how far Tehran went in defusing the issue.

"I gave him my assurance that working to remove the threat to his life will be central to our policy toward Iran," Mr. Cook said. "We will work hard to do what we can to lower and then remove the threat."

Mr. Rushdie, 50, who had a private dinner with Prime Minister Tony Blair on Saturday, said he was optimistic that the problem could be resolved.

Britain, in its role as European Union president for six months to June 30, has called on Tehran not to carry out the religious ruling, made by Iran's former spiritual leader, Ayatollah Ruhollah Khomeini, that condemned Mr. Rushdie to death for alleged hlasphemy in his novel "The Satanic Verses."

The speaker of the Iranian Parliament said Sunday he hoped Muslims would kill Mr. Rushdie as a lesson to "those who oppose God and God's prophets." *(Reuters)*

Memorials Lack Funds

BERLIN — The foundation responsible for maintaining two of the Nazis' most infamous concentration camps as memorials said Monday it lacked the millions of Deutsche marks needed to carry out urgent repairs.

The Brandenburg Memorial Sites Foundation, which preserves the Sachsenhausen and Ravensbrueck camps in eastern Germany, said the sites had been neglected during the regioo's communist era and now needed more than 50 million marks ($27 million) worth of repairs. *(Reuters)*

Denktash Calls for Talks

NICOSIA — The Turkish Cypriot leader, Rauf Denktash, called Monday for direct talks betweeo the two communities on the divided island of Cyprus following the reelection of President Glavkos Klerides.

Mr. Denktash said that now was the time to open the way to direct talks "between two peoples who have been ruling themselves separately since the willful destruction of the partnership state back in 1963."

Mr. Klerides, a conservative, was re-elected as head of the internationally recognized Greek Cypriot administration with 50.8 percent of a runoff vote Sunday. *(Reuters)*

Surgery Set for Havel

PRAGUE — President Vaclav Havel of the Czech Republic, improving after being admitted to a hospital last Thursday, will have a throat operation later this week, his doctors said Monday.

They said that he would have a minor operation to remove an ulcer that might have been contributing to repeated bouts with bronchitis.

Mr. Havel, 61, has had difficulties breathing since a small cancerous tumor was removed from his right lung in December 1996. *(Reuters)*

Papon Witness Leaves

BORDEAUX — Rolf Holtfort, a German magistrate who was to have testified Monday at the trial of the French wartime official Maurice Papon, has returned to Germany after receiving a death threat, said the prosecutor, Marc Robert.

Mr. Robert said Monday that Mr. Holtfort received an anonymous letter at his hotel in Bordeaux. The letter, written in French, said: "Vichy is alive. No German witnesses, or if you speak, you are a dead man." Vichy refers to the World War II regime in France that collaborated with German forces.

Oo Monday, Mr. Papoo, who is being tried for complicity in crimes against humanity, detailed what he said were exemptions from deportation trains from 1942 to 1944 when he was secretary-general at the Bordeaux prefecture in charge of "Jewish affairs." *(AFP)*

INTERNATIONAL

When UN Inspectors Report on Iraq, Who Gets the Data?

By R. Jeffrey Smith
Washington Post Service

WASHINGTON — As U.S. military planners list targets in Iraq that may be attacked sooo, they will draw partly on the results of seven years of UN inspections that detail the function of hundreds of sensitive Iraqi indnstrial plants and weapons-related facilities.

Does that mean the inspectors are really spies for Washington's military forces, as Baghdad routinely claims?

After all, a 1995 revelation by the United Nations that crates of sophisticated missile equipment were being shipped from Russia to Iraq provided an intelligence bonanza for the CIA. So did the United Nations' discovery in 1991 that Iraq had stashed away secret components nf an advanced nuclear weapons program, and the UN revelation in 1995 that Iraq had produced a sizable arsenal of deadly germ weapons.

Iraq has cited the prominent roles nf Americans in the UN Special Commission on Iraq in arguing that the inspectors are snooping into matters unrelated to their mandate. It also has claimed that Washington used its influence to skew the focus and conclusions of the inspectinns, trampling Iraqi sovereignty in an effort to gain military advantage and prepare for strikes like the one oow threatened.

U.S. and UN nfficials alike deny the claims, however, and Iraq has not convinced any independent experts that the commission erred in saying that Iraq was still hiding data, equipment or weapons nf mass destruction it was ordered tn surrender in 1991. In fact, on military strike wnuld be looming if Iraq had given the UN inspectors unfettered access, as nrdered by the UN Security Council.

A more accurate statement, according to U.S. and UN officials, would be that UN inspectors do indeed act as spies inside Iraq, insofar as they are attempting to learn things that Iraq prefers to keep hidden. Moreover, many countries — the United States oot the least — are eager to learn everything the commissinn knnws and use various means to find nut about it, ranging from debriefing its experts to observing them from afar.

One reasoo fnr the intense international focus is that the commission remains the key to unlocking the vast supply of Iraqi oil that eventually will be sold on the world market, affecting prices around the glnbe. Only when the commission certifies that Iraq has eliminated all its threatening weapons and surrendered the relevant records will the Security Council consider withdrawing the sanctions barring large Iraqi oil sales.

Sensitive information about Iraq does flow in and out of the commissino's

NEWS ANALYSIS

nffices on the 30th and 31st floors of the United Nations tower in New York, UN officials say, but only because the organization lacks the ability to mount a sophisticated inspection effort without routinely getting unpublicized assistance from individual nations. This assistance is considered critical to assessing the importance or credibility of what the inspectors uncover.

But commission officials argue that they collect intelligence in Iraq only on a narrow list of aothorized topics, and that they do so only no behalf of the Security Council, not any individual government.

Ewen Buchanan, spokesman for the Special Commission, said the staff of the commission cringed at the notion of spying because that connoted "something bad." But he affirmed that its aim was m collect whatever data it could on banned Iraqi weapons of mass destruction.

The dispute arises largely because in the rush — after the 1991 Gulf War forced Iraqi troops from Kuwait — to ensure that Iraq could nn longer threaten its neighbors, the Security Council vested the Special Commissioo with powers greater than any previous UN organization.

Commission representatives were anthorized to go anywhere in Iraq, ferret out any hidden illicit military capabilities, demand the destruction of any worrisome military equipment and answer only to the Security Council. But the commission had nn staff of its own and little money.

Rolf Ekeus, the first chairman of the commission, decided he had no choice but to forge a staff from experts sent to the commission hy willing governments, whose salaries would be paid by these governments, a practice that lies at the heart nf Iraq's recent complaints.

Only a small fraction of the estimated 60 professionals at the commission in New York and 100 professionals in Baghdad or Bahrain are actnally on UN salaries. Instead, most are paid by the countries that either supported or participated in the military coalition that fought Iraq in the Gulf War. These are the countries that have been the most devoted to the task of undermining the Iraqi military threat.

When the experts begin work at the United Nations, each must sign a statement promising not to seek or accept instruction from any government or outside authority, and not to communicate at any time to any nther person or government what they learn unless it has already been made public or is authorized by the United Nations.

In exchange, they gain the immunities and protections traditionally granted to employees of the international organization.

Members of the peer review panels organized periodically by the commission to verify the accuracy of its conclusions do not sign a similar nondisclosure agreement.

All this aside, it is no secret that some nf these experts report their findings not only to the commission, but also to their own governments.

Panel Clears Netanyahu In Mossad's Bungled Hit

By Serge Schmemann
New York Times Service

JERUSALEM — A commission appointed to investigate the bungled attack nn a Hamas official in Jordan absolved Prime Minister Benjamin Netanyahu on Mnoday nf any hlame for the fiasco, and endorsed the policy that terrorists can be hit "wherever they may be."

At the same time, the three-man panel concluded that the attack last fall was flawed in its conception, training and execution, and charged that Danny Yatom, head of the Mossad, Israel's secret service, "erred in his handling nf the nperation and in approval of the plan."

But nnly nne member nf the panel, Rafi Peled, former chief of the national police, recommended that Mr. Yatom nr any other Mossad officials be fired.

The head of the commission, Joseph Ciechanover, chairman of the Israeli national airline El Al, and Dan Tnlkowksky, former legal adviser to the Defense Ministry, declared that it was not their task to make such recnmmendations.

The commission of inquiry was appointed by Mr. Netanyahu after a Mnssad assassination team tried to kill the political head of the militant Islamic movement Hamas. Khaled Meshal was attacked nn a street in Amman, the Jordanian capital, nn Sept. 25. After agents injected him with a slow-acting poisoo, Mr. Meshal's bodyguard gave chase, and the Mossad agents were captured.

The hungled operatinn turned into a major and costly embarrassment for Israel, seriously straining relations with the last Arab leader still on cordial terms with Mr. Netanyahu, King Hussein of Jordan.

The king, livid at the attack in his capital, demanded and received an antidote for Mr. Meshal, and the release from an Israeli prison of the fnunder nf Hamas, Sheikh Ahmed Yassin, in exchange for the agents.

Israel was compelled to agree to the conditions.

The report nf the Ciechanover commission came as a relief to Mr. Netanyahu, wbo declared that he had "nn dispute about the honesty and professionalism" of the commission members.

"I think they tried to get to the bottom of things," Mr. Netanyahu said, "thongh I imagine my political opponents wnuld have certainly praised them if they had reached nther conclusions regarding the prime minister."

Reports from Amman, however, indicated that King Hussein was furious, both that the commission did not recommend a public commitment hy Israel against any future assassinations in Jordan, and that it did not demand the resignation of Mr. Yatom.

Zeev Schiff, military correspondent for the Israeli newspaper Ha'aretz, reported that King Hussein had notified Israel that Israeli and Jnrdanian intelligence services would not resume wnrking together until Mr. Yatom was fired. Soch cooperatioo had been one of the main benefits nf the peace agreement, and until the Meshal affair, Mossad representatives enjoyed close ties to the king himself.

Though exonerated himself, Mr. Netanyahu now faces the sensitive question nf whether to fire Mr. Yatom. The Mossad head, formerly military adviser m the prime minister, indicated that he intended to fight for his job, even thnugh two other Mossad officials — the division head and the commander of the hit squad — had resigned.

In his statement Mnnday, Mr. Netanyahu praised Mr. Yatom highly, noting that they had served in the same covert commando unit, and said he would read the entire report before deciding his fate.

"The public does oot know what the Mossad is doing, the oumerous secret operations," Mr. Netanyahu said. "These are people wbo risk their lives, I can say every day and every night. It's important for me that these unknown fighters not be concerned before leaving nn their next mission about the stroke of an ax. That's why one has to think very closely and make balanced decisions, and I plan to do that."

Amos Ben Gershom/Reuters

Prime Minister Benjamin Netanyahu, right, receiving the findings Monday of the inquiry into the Mossad's bungled assassination attempt from Joseph Ciechanover. Rafi Peled, left, and Dan Tolkowksky looked on.

CALENDAR: *Washington Faces Problems in Scheduling a War*

Continued from Page 1

any threat. It is nue matter if war is forced nn a cnuntry hy invasion nr self-defense. But what the United States and Britain are contemplating is a limited military strike in pursuit of a political nhjective, and the intricacies of the Muslim religious calendar are as important as the dates for moonless nights, loog a favorite nf military planners.

"This isn't exactly Pearl Harbor," a senior U.S. nfficial said. "But there's no question the Joint Chiefs don't usually plan their battles this way."

Convenience is not the point, said the nfficial, whn, like the nthers qunted, spnke nn cnndition of anonymity. "We're mnre concerned with meteorological and astronomical contingencies," he said.

There has been much dehate over the importance nf moonless nights and when they come, because the bombing of Baghdad that began the Gulf War in January 1991 took place on just such a night.

Althnugh Stealth aircraft are hard to see nn radar screens, on a bright day or a clear night they are hig and hlack and mnre vulnerahle to attack.

According tn the U.S. Naval Observatory, the next oew moon over the Middle East will be nn Feh. 26, and the nne after that will be on March 28. The two nr three nights both before and after those dates are the darkest.

In the end, a political judgment will have to be made about when diplomatic efforts to seek a peaceful snlution in the Iraq crisis finally have run their course. That is not likely for at least a week or so, especially if the UN secretary-general, Kofi Annan, travels to Baghdad after the experts he already has sent there return this week.

There is an even stronger hint in President Bill Clintnn's travel schedule, since presidents do ont usually start wars wheo they are away from Washington. The Clintons are scheduled to go to Stanford for parents' weekend, Feb. 25 through March 1, although the trip is not yet nfficially confirmed.

Sn, it is oot clear that military actinn can come in this month's moonless window, and it is fairly obvinus that it will oot come in the next. The reason? Mr. Clinton is traveling again, scheduled to leave on a five-country African tour at 5:40 P.M. on March 22 and to return on April 2, around dinner time.

A senior Defense Department official said the moon theory was "a little overdone." The U.S. military "is awfully good at night fighting, so night is better," he said, especially for an initial attack to suppress what be called "the largely reconstituted Iraqi integrated air defense."

During the Gulf War, the official said, "we bombed 40 days and 40 nights through new moons and nld moons and all kinds of moons."

The military is flexible enough to cope, he insisted, and commanders can choose to hit targets with cruise missiles instead of airplanes if the danger to the airplanes is too high.

As important as the moon may be, weather matters more. With so much laser-guided weaponry, clnnds nf blowing desert sand get in the way. Here again, the expensive cruise missiles are less affected than airplanes and are even less affected than they used to be.

During the Gulf War, to reach their target, the missiles fnllnwed the terrain throngh a form of laser radar in the nose. That meant problems over the desert, with missiles following each other in a line, because they all needed to focus nn the same rare plateau nr cliff to continue on their way.

Today, while still possessing terrain-following capacity, the missiles are guided by satellites, which means they can take different rontes without reference to the ground — and withnut hindrance from high winds and obscuring clouds of sand.

While the final pieces of the military hardware puzzle are not schednled to arrive in the Gulf for another few days, they will supplement existing forces.

"If we had to, we could exercise today any plan the president chooses," the defense official said. "We doo't have to take inm accnunt the Olympics or the president's little dnmestic problems or media frenzies."

But politicians do, and they must also consider the sensibilities nf their allies and friends, especially in the region. When Secretary of State Madeleine Albright began her tour of the Gulf countries late last month, talking of diplomacy while seeking support for war, the problem was the Muslim boly month of Ramadan, which ended in a three-day feast.

That prompted some to play armchair general and concinde that warfare was impossihle at least until the government of Saudi Arahia returned to work on Feb. 7, and then until Defense Secretary William Cohen retnrned from the Gulf and Moscow, which he did nn Friday.

Then there was the convention that countries refrain from warfare during the Olympics, a request made specific by the host country, Japan, and by the International Olympic Committee. U.S. officials said the Olympics would stop nothing, but the Games were a factor in their thinking, the nfficials admit, and they are not due to end until Feh. 22.

And Israel is asking for more time to equip its citizens with gas masks, even thnugh American and British officials regard the chance of an Iraqi poisoo gas attack nn Israel to be nearly zero.

Now the Islamic observance that is nn every wagging tongue is the hajj, the annual pilgrimage to the holy places nf Mecca and Medina, in Saudi Arabia, made by a million or so Muslims a year.

The Islamic Institute in Washington says the hajj climaxes this year on April 6 and 7, and the month centered on the hajj begins nn March 30. But pilgrims will begin to travel from every Muslim country to Saudi Arabia from about March 20.

So does that leave a window for war fnr the fnur weeks from Feh. 23 through March 20? Or not?

FRANCE: *Iraqi Invited to Talks*

Continued from Page 1

say that, if it can be done by avoiding dropping bombs and killing women and children, that would be better."

France and Russia urged the United States to support a last-minute mission by the secretary-general to Baghdad to try to get Iraqi agreement to a plan they believe would save face for Mr. Hussein, who had declared the eight sprawling "presidential sites" off-limits to UN inspectors.

Under the plan, diplomats from the five permanent member countries on the Security Council — the United States, Britain, France, Russia, and China — wnuld accompany the chief UN arms inspector, Richard Butler, on a "white-glove" inspection of parts of the complexes the Iraqi leadership actually lives in, in return for unlimited access for the arms experts to the rest of the facilities.

Iraq has been insisting on limiting the inspections to nnly a 60-day period.

France is also bracing for a decision this month by the Clinton administration on whether tn impose sanctions on the giant French oil company Total for its gnvernment-backed decisinn to gn ahead with a $2-hillinn natural gas exploration project in Iran with Russian and Malaysian partners.

■ Italy Backs Annan Visit to Iraq

Alan Friedman of the Internatinnal Herald Tribune reported from Rnme:

Prime Minister Romano Prodi said Monday that no military action should be taken against Iraq until Secretary-General Annan has a chance to visit Baghdad.

"I think we need tn seek an agreement between the United Nations and Iraq," Mr. Prodi said in an interview Mnnday. "Our positinn is that before any military action is taken, Kofi Annan should visit Iraq. We in Italy want to push Knfi Annan to go to Baghdad and we want to push Saddam Hussein to respect UN resolntinns and regulatinns."

Asked if it was sufficient for Mr. Annan to visit Paris, Mr. Prodi replied: "The question is whether he will go to Baghdad."

Mr. Prodi denied that domestic political considerations featured in his policy statement. In recent days there have been threats from the small Green Party and the Refounded Communists to withdraw from his majority coalition should bases in Italy be used fnr a U.S. strike against Iraq.

"My posinion is not based on domestic political consideratinns. It is Italy's policy," Mr. Prodi said.

In Washington, meanwhile, where the Italian foreign minister, Lamberto Dini, met for an hnur Monday with Secretary of State Albright, an aide to Mr. Dini said Italy agreed with the United States that "there must be full nbservatioo of UN resolntinns, and an opening of all sites to inspection."

BRIEFLY

Algerian Forces Kill 52 Guerrillas

PARIS — Algerian forces killed 52 Muslim rebels in military operatinns and had Algeria's most wanted outlaw leader trapped with 150 of his men after a flare-up of killings, Algerian national daily said no Monday.

Acting nn a tip-off by a 14-year-old girl who escaped rebels after six months in captivity, troops stormed a guerrilla base Sunday in the Medea area, abont 70 kilometers (45 miles) south nf Algiers, Le Matin newspaper reported. They killed 23 gunmen and the military operation was said to be continuing.

In the western province of Tlemcen, soldiers killed 10 rebels hiding in a farm nver the weekend, Le Matin said. In neighboring Telagh area, where dozens of civilians have been killed in rebel attacks, government forces killed 17 rebels on Sunday, L'Authentique daily said. Twn more were slain over the weekend in the Bouira region east of Algiers, it said.

In the southwestern region of Saida, where 17 civilians and pro-government militiamen were killed Saturday in an ambush, troops trapped a 150-strong elite force of the Armed Islamic Group, including its commander, Antar Zouabri, L'Authentique said. *(Reuters)*

Saudi King Seems Weak on Broadcast

RIYADH — King Fahd of Saudi Arabia appeared lethargic in state-run television footage broadcast after he had undergone medical checkups. The footage shown Sunday evening showed the monarch barely able to lift his arm to shake hands with well-wishers at his palace.

Hospital sources said that the king was examined Saturday and Sunday at the King Faisal Specialist Hospital. His health has been the source nf speculation since he suffered a stroke in 1995 and temporarily handed the reins over to Crown Prince Abdullah. *(AP)*

Fujimori Regains Popularity in Peru

LIMA — President Alberto Fujimori's popularity has risen again thanks to his personal campaign to lead relief work during El Niño storms now lashing Peru, a survey showed Monday.

The pollster Apoyo said Mr. Fujimori's general approval rating was up 7 percentage points in the first half of February, to 45 percent, compared with the end of January. The poll, of about 500 Lima residents, said 70 percent of those interviewed approved of his handling of the weather crisis. *(Reuters)*

CLINTON: *In the Midst of Crisis, a President Surrounded by Friends Stands All Alone*

Continued from Page 1

The surest evidence of how moch things have changed is that Mr. Clinton's most intimate conversatinns seem to be with his legal counselors. These men, including Mickey Kantor, Robert Bennett, David Kendall and Charles Ruff, have little in common except their client. Bnt to varying degrees they have become not nnly the president's lawyers hut also his brothers, cnnfidants, psychiatrists.

If he has not told them everything, they apparently have heard more than anyone, including Hillary Rodham Clinton, in some matters. Tn one or more nf them, he has offered details of the most indelicate troubles of his life involving Paula Jones, Whitewater and Monica Lewinsky. When he is frustrated, confused, feeling like a wounded animal, he is most likely to turn to them to talk about it. The conversations might never cnme around to his present predicament, but they will calm him down.

That his lawyers have emerged as his closest confidants is largely a matter of pragmatism. As one person close to the situation said: "Who the hell else is he going to talk to? He is not going to talk to Hillary about some of this stuff."

Who else indeed. These are not comfortable topics to discuss with his daughter, Chelsea. He has never had a father to confide in — his hiological father, Bill Blythe, was killed before his hirth; the stepfather from whom he drew his name, Roger Clinton, was a tronhled alcoholic who died when the future president was in college. His mother, who never wanted to hear bad news from him and preferred to live in her owo fantasy world, died four years agn. His trouhled little brother, Roger, is not one to offer advice or keep secrets.

Vice President Al Gore has declared himself the president's loyal friend and made it clear that he does not really want to know the details. Vernon Jordan Jr. might have served the role of brother-confessor in the past, but now, caught up in the Lewinsky investigation himself, he has had to keep a certain distance. It did not gn unnoticed that Mr. Jordan, a regular at White House functions, was nff the list at the Feb. 5 state dinner for Prime Minister Tooy Blair of Britain.

Mr. Blair himself proved a fine friend for a few days during the crisis, but he has his own country to run. Mr. Clintoo has always felt comfnrtable with Bruce Lindsey, his ghostly silent deputy counsel, a longtime friend from Arkansas, but Mr. Lindsey is more the fixer and lnyal servant than confidant. He is there to play hearts with the president and do whatever needs to be done to ease Mr. Clinton's way.

Thomas McLarty, another Arkansas pal in the White House, said recently that he sought to be "supportive" of his friend "in good times and bad" but that Mr. Clinton had not sought his ear. Among the other Arkansas friends who came to Washington with him, the former deputy White House counsel, Vincent Foster Jr., is long dead from suicide and Webster Hobbell, the former associate attorney general whn served a prison term for double-billing his nld law firm, has been quietly discarded.

James Carville and Paul Begala, Mr. Clinton's pit hull consultants, are more concerned with learning about Mr. Clinton's adversaries than in dealing with the truth and consequences of their man. He has never bared his soul to them. The discredited political mastermind Dick Morris, banished for his own sexual transgressions, is nne telephone call away from working his way back into Mr. Clinton's vortex, hut he has beeo in temporary exile again since he theorized to a Los Angeles radio station that maybe Mrs. Clinton disliked oormal marital relations, compelling her husband to turn elsewhere. So much for Mr. Morris.

'If you talk to him, the mutual concern is: Don't say anything that will get you in trouble.'

George Stephannpoulos, the former aide who once spent more time at Mr. Clintoo's side than anyone, and who often shuddered in private with worst-case scenarios of his boss, now shares them on television with the wbole nation. He has said that he never felt like a Clinton confidant or peer in any case.

Other aides of his generation now plot tactics and strategies for the president without having a clue, they acknowledge, abont what he did or how he really feels.

Erskine Bowles, the chief of staff, has shown a disinclination for personal controversy and has tried to keep the White House going as though Ms. Lewinsky and Kenneth Starr did oot exist. Press Secretary Michael McCurry has told the clamoring press pack that on these issues he is determinedly and safely out of the loop.

Friends of Bill from Hot Springs, Fayetteville and Little Rock, and from his days at Georgetown, Yale and Oxford, offer variations on the same theme. Whenever he was in trouhle in the past, they stormed to his defense. This time they have tried to support him as best they can, but they have felt a certain distance. In almost every case, the explanation they offer is the same one that applies to Mr. McCurry, Mr. McLarty and nthers close to the president professionally or personally: They are worried about getting caught in the tangled weh of investigations.

Every conversation with their friend comes with the unspoken subtext of potential legal hills, especially since Mr. Starr, the independeot counsel, has shown such aggression in hauling people before his federal grand jury.

"This last month has been harder than ever for all of us," said an old friend from Arkansas. "Wheo you see that everybody whn is a friend or clnse to him has been suhpoenaed, investigated, written abont, it is just going to put another kind of artificial protective sort of distance there. If you talk to him at all, the unspoken mutual concern is: Don't say anything that will get you in trouble. Don't say anything that will get me in trouble."

These concerns are both a reflection of Mr. Clinton's behavior and a sign nf the times. Jody Powell, press secretary to President Jimmy Carter, said he could not imagine working with the same fears and concerns that haunt Mr. McCurry and other Clinton aides. The burden this situation places on Mr. Clinton's friends nnly exacerbates the sense of separation they feel from the president anyway simply because of the distance between his office and the rest of the world.

The contradiction of the presidency — feeling alone in the midst of people — is there even in the best of circumstances. The prosideot is surrounded by people all day, every day. He lives and works inside the hubble of 35 Secret Service agents who accompany him from the moment he strolls down the steps of the residence. Around them is another protective ring of 100 uniformed agents.

He has a personal aide at his side from dawn to midnight. Personal secretaries record his every appointment and utterance. Electronic monitors announce his movements. He is served all day by scores nf counselors, special assistants, senior advisers, ushers, cooks, stewards. But none of those people around him, or any of his lifelong friends, can know the pressures that a president faces, and oone of them can know his deepest fears and insecurities, not even the lawyers he confides in these days.

In that sense, he has nn peers, only predecessors.

Thomas Jeffersoo said the presidency brings "nothing hnt drudgery and a daily loss of friends."

Woodrow Wilson said he "never dreamed such lnneliness and desolation nf heart possible."

William Howard Taft called the White House "the loneliest place in the world."

During an earlier crisis, Mr. Clinton said, "Sometimes I really get lonesome for why I came here." But he had spent his life wanting to be president, preparing for it, amassing the network of friends that would help get him there.

TOP SECRET: NEW MAI TREATY

SHOULD CORPORATIONS GOVERN THE WORLD?

FROM THE SAME WONDERFUL PEOPLE WHO BROUGHT YOU NAFTA, THE WTO, "FAST TRACK" AND THE ASIAN FINANCIAL MESS, HERE COMES THE MAI: THE MULTILATERAL AGREEMENT ON INVESTMENT. 29 countries are now locked in secret negotiations in Paris, completing a new treaty that gives unprecedented powers to global investment bankers, money speculators, and transnational corporations. The MAI will reverse present-day regulatory processes: Instead of regulating corporations, the MAI will regulate your municipal, provincial, state and national governments. The balance of power between corporations and government will be forever altered: In effect, corporations will govern. Let's call it "NAFTA on steroids."

Why is this deal secret? Would public exposure be deadly to the MAI? Maybe so. Here are some details:

1 Until recently, sovereign governments decided the conditions by which foreign investors could buy-up domestic businesses, banks, TV stations and utilities. Sometimes we might make rules to keep foreign sources from owning *controlling* shares in our businesses. Or, we might ask new foreign businesses to locate in disadvantaged communities, or enterprise zones, or to invest some profits back into the community. Or, that they hire a certain percentage of local workers. We might *not* like to deal with companies that have bad human rights or environmental records. We might not want to allow foreign takeovers of cultural industries like the media or the arts.

A democratic society should control such things. But all of this will change under the MAI.

2 *The rules of the MAI would impose restrictions on all levels of government: federal, state, local.* In *every* jurisdiction foreign companies must always be awarded equal or better terms than local business. So, let's say your city now favors *locally owned* businesses in contracts for municipal projects: public works, or stadiums, or local road construction. Or, possibly, your country or province has residency requirements for permission to exploit forest or fishing resources; as does British Columbia, Canada. The MAI could negate all such rules.

Among European countries, the Maastricht Agreement has already removed many national protections for local fishing and farming. But at least the rights remained within Europe. Under the MAI, they will open to the world.

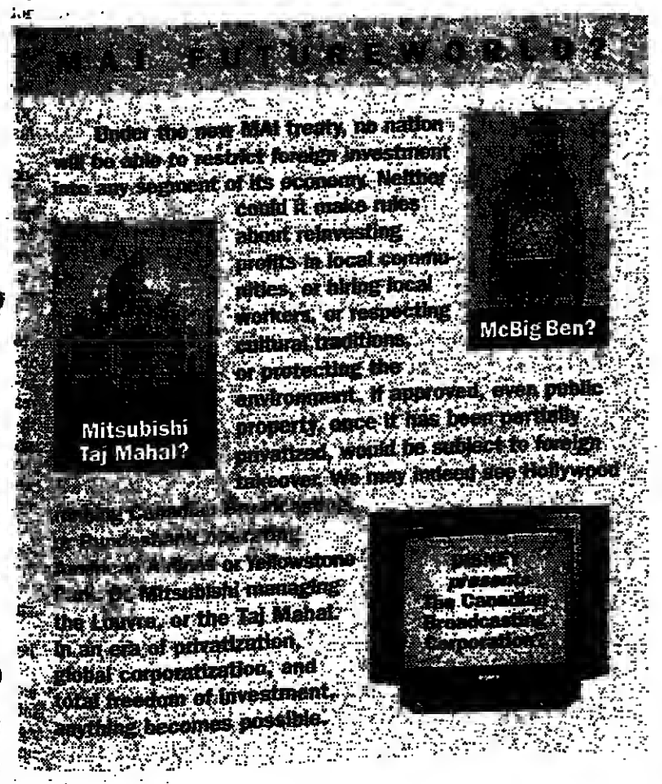
Even "neutral" non-discriminatory laws can be forbidden if their *impact* might be to slow down foreign entry. For example, your government might make new restrictions on all corporations — domestic and foreign — from expanding mining or forestry operations, to protect dwindling resources. Foreign companies could challenge these limits on the grounds they favor *local* companies who are already established. The effect will be to inhibit these protections for the environment.

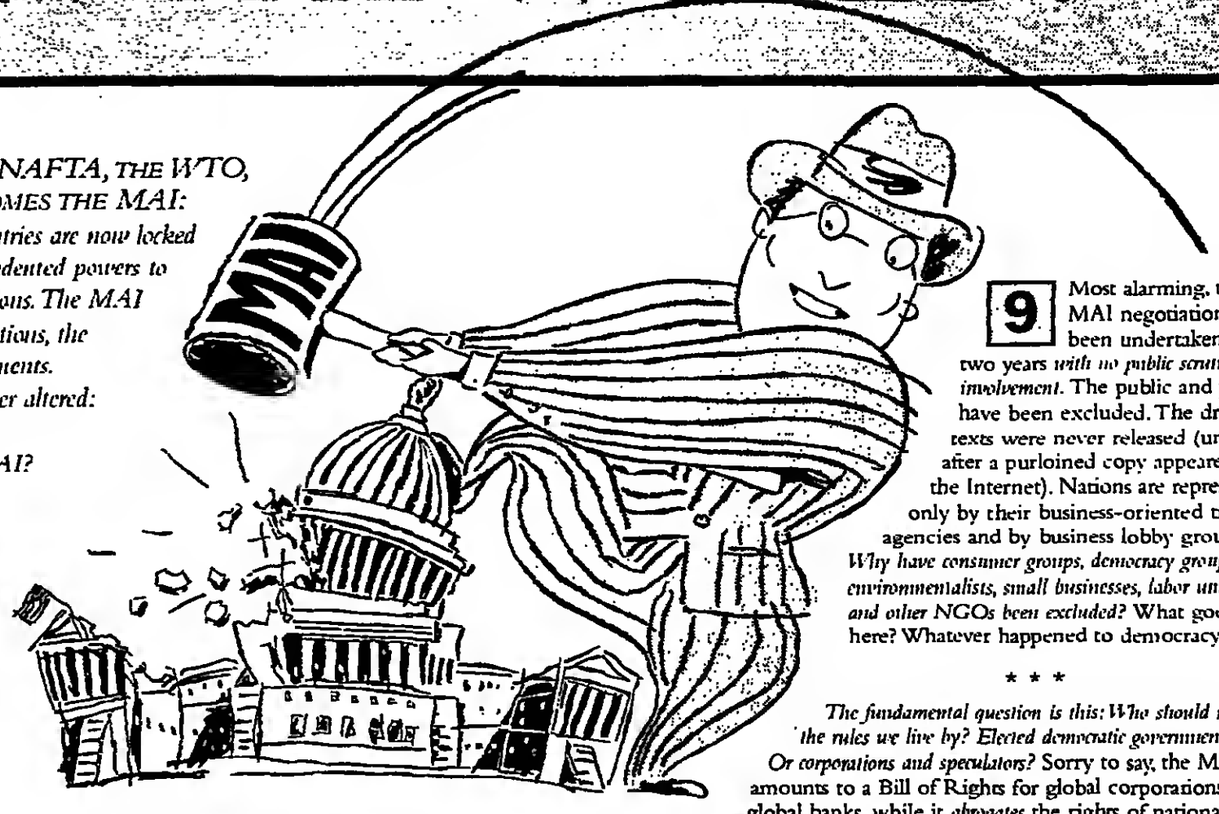
3 The MAI forbids "performance requirements" for investors. Performance requirements may include hiring local workers, or the use of "domestic content" in production, or the purchase of local services, or the control of land sales based on conformance to zoning laws. These would be outlawed. Other local rules may require the reinvestment of profits in a community. Take a law like the U.S.'s Community Reinvestment Act, requiring that banks that want to expand must make loans in their own community. Such a law would disappear under the MAI. Or, take British Columbia's law that obligates investors to invest in local processing. This law would also be vulnerable. The same fate may await British and other European laws that require truckers who transport livestock or other animals to follow humane standards.

The MAI may be the greatest loss for community control in history.

4 The ban on "performance requirements" would also be fatal to efforts by countries to keep foreign profits from exiting the country, or to prevent such fiascoes as the Asian financial crisis. The MAI effectively abolishes the ability of countries to regulate capital entry and exit, or currency speculation, or to place conditions on portfolio investments. Such ideas as "speed bumps" that require investors to keep their investments for a minimum time, thereby reducing speculation, will be eliminated.

Without the ability to make such rules, all countries are increasingly subject to the ravages of "currency attacks," and the whims of giant banks.





[MAI MEETS DEMOCRACY]

Business Week says it's "The most explosive trade deal you've never heard of... [it] would rewrite the rules of foreign ownership, affecting everything from factories to real estate and even securities. But most lawmakers have never even heard of the Multilateral Agreement on Investment." Why not? Why have the public, the press and lawmakers in every country been excluded from these negotiations? It's time to find out. Please read below.

5 Under the MAI, corporations gain a status equivalent to "most favored nations." This means that no level of government could "discriminate" against foreign investors based on human rights or environmental or political practice. Had the MAI been in force during South Africa's apartheid system, all government sanctions and boycotts against South African investment would have been illegal. Apartheid might still exist. One of the great tools for human rights, environmental and social justice activism would be gone.

6 Here's a shocker. The MAI says governments cannot expropriate investments *"directly or indirectly*...or take any measures having *equivalent effect."* The MAI even calls it *expropriation if* investors experience a "lost opportunity to profit from a planned investment."

This means that if a new public health law is created — against toxic seepage, say, or to ban fuel additives that cause pollution, or to regulate mining practices to save the environment — these could be called *expropriations* because they *indirectly* affect *future profits from a planned investment.*

If so, taxpayers might have to pay a company millions of dollars for an investment they never made!!

The MAI also cites lost profits from strife: boycotts, public protests, strikes, etc. So, if a protest or strike allegedly lowers an investor's profits *then taxpayers pay.* Alarmingly, such rules would provide many governments strong incentives to *suppress* free expression.

7 To further aid corporate domination over governments, the MAI gives private corporations and investors unprecedented legal standing to sue sovereign nations. *Grievances would not be heard in a nation's domestic courts.* Corporations could select for their suit from a list of closed international venues that are entirely secretive. Or they could bring their complaint under the rules of international arbitration. Nation-states (and local governments) would be bound by such rulings. Giant cash payments to corporations might ensue.

A preview of this process is found in the present-day suit by the U.S.-based Ethyl Corporation against Canada (based on a similar provision in NAFTA). Ethyl is asking $251 million because Canada banned MMT, a suspected neurotoxin in Ethyl's product. Ethyl says that even debating the ban in Parliament is equivalent to *expropriation* of company assets.

8 Some say that the MAI will benefit Third World economies, thus "helping feed a hungry world." This is deeply cynical because exactly the opposite is the case: the MAI enshrines the abilities of rich investors to dominate poor countries. These countries need control over investment on their soil, to encourage *local* businesses and workers to build a base for the future. They *must* have full sovereign authority to regulate entry that could overpower and destroy local business. Small countries use tools such as tax breaks for domestic industry; preferences for local banks over foreign banks or local farmers over agribusiness giants; preferences for local businesses in government contracts; and requirements that foreign investors become partners with local people who retain 51% ownership. *All of these controls would be dead under the MAI.* All countries would be submerged under the new freedoms of multinational capital. So then, *just who gets fed?* Hungry investment bankers, only.

9 Most alarming, the MAI negotiations have been undertaken for two years *with no public scrutiny or involvement.* The public and press have been excluded. The draft texts were never released (until after a purloined copy appeared on the Internet). Nations are represented only by their business-oriented trade agencies and by business lobby groups. *Why have consumer groups, democracy groups, environmentalists, small businesses, labor unions, and other NGOs been excluded?* What goes on here? Whatever happened to democracy?

* * *

The fundamental question is this: Who should make the rules we live by? Elected democratic governments? Or corporations and speculators? Sorry to say, the MAI amounts to a Bill of Rights for global corporations and global banks, while it *abrogates* the rights of national governments, local communities and democratic society. Director-General of the World Trade Organization, Renato Ruggiero, calls the MAI "the Constitution for a single global economy."

Do *you* want an economy where corporations are the true governing bodies? Is this why it's all been so hush-hush? Where is the public debate on this crucial issue? If people in democratic societies ever get wind of what is going on here, public outrage will be considerable. *It's time we all get involved.*

Negotiations are now in the last stages in Paris. A committee is making final drafts toward approval by the 29 nations in the Organization for Economic Cooperation and Development (OECD) in April. If signed in the OECD, then each member nation's legislature — or other public body — will have to approve it. *Find out everything you can about this. Use the coupon below. Contact the organizations listed.* Thank you.

THE INTERNATIONAL FORUM ON GLOBALIZATION (IFG)

Committee on Global Finance, 1555 Pacific, San Francisco, CA 94109 USA
Tel: 415-771-3394 Fax: 415-771-1121 http://www.ifg.org

The following signers are members of the International Forum on Globalization Board of Directors and/or Committee on Global Finance:

Maude Barlow, Council of Canadians, Ottawa
Walden Bello, Focus on the Global South, Bangkok
Brent Blackwelder, Friends of the Earth, Washington D.C.
John Cavanagh, Institute for Policy Studies, Washington D.C.
Tony Clarke, Polaris Institute, Ottawa
Herman E. Daly, University of Maryland
Susan George, Transnational Institute, Amsterdam
Edward Goldsmith, The Ecologist, London
Martin Khor, Third World Network, Penang, Malaysia
Andrew Kimbrell, International Center for Technology Assessment, Wash. D.C.
David Korten, People-Centered Development Forum, New York
Bernard Lietaer, University of California, Berkeley
Jerry Mander, Public Media Center, San Francisco
David Morris, Institute for Local Self Reliance, Minneapolis
Helena Norberg-Hodge, Int'l Society for Ecology and Culture, Devon, U.K.
Carl Pope, Sierra Club, San Francisco
Mark Ritchie, Institute for Agriculture & Trade Policy, Minneapolis
Vandana Shiva, Third World Network, New Delhi
Steve Shrybman, West Coast Environmental Law Association, Vancouver, B.C.
Victoria Tauli-Corpuz, Indigenous People's Intl. Centre for Policy Research, ROP
Lori Wallach, Public Citizen, Washington D.C.

MORE INFORMATION

In addition to contacting the IFG *(see coupon)*, you can obtain excellent information and/or ideas for what to do, from the following organizations:

Council of Canadians 904-251 Laurier Ave., W, Ottawa, Ontario K1P 5J6 Canada
Tel: 613-233-2773 Fax: 613-233-6776 Email: coc@web.net

Friends of the Earth 1025 Vermont Ave., NW, Washington D.C. 20005
Tel: 202-783-7400 Fax: 202-783-0444 Email: foe@foe.org
http://www.foe.org/ga/mai.html

Institute for Policy Studies 733 15th St., NW, Washington D.C. 20005
Tel: 202-234-9382 Fax: 202-387-7915 Email: ipscomm@igc.apc.org

Public Citizen-Global Trade Watch 215 Pennsylvania Ave., 5E, Wash. D.C. 20003
Tel: 202-546-4996 Fax: 202-547-7392 http://www.citizen.org/pctrade/mai.html

The Transnational Institute Paulus Potterstraat 20 1071 DA, Amsterdam, NL
Tel: 31-20-662-6608 Fax: 31-20-675-7176 Email: tni@antenna.nl

Third World Network 228 Macalister Rd., 10440 Penang, Malaysia
Tel: 60-4-226-6728 Fax: 60-4-226-4505 Email: twn@igc.apc.org

World Development Movement 25 Beehive Place, London SW9 7QR
Tel: 171-737-6215 Fax: 171-274-8232 Email: wdm@gn.apc.org

To: **The International Forum on Globalization (IFG)**
Committee on Global Finance, 1555 Pacific Ave., San Francisco, CA 94109 USA

Here is a donation to support the IFG's educational work on the major issues of economic globalization. *(Donations are tax deductible.)*

☐ $500USD ☐ $250USD ☐ $100USD ☐ $75USD* ☐ $50USD* Other_____

*Donations of $50 include IFG one-year membership, newsletter, plus MAI information. *Donations of $75 include above plus a signed copy of "The Multilateral Agreement on Investment (MAI) and the Threat to American Freedom," by Maude Barlow and Tony Clarke (forthcoming from Stoddart Publishers).

Name _____
Address _____
City _____ Country _____ Zip Code _____

EDITORIALS/OPINION

Herald INTERNATIONAL Tribune
PUBLISHED WITH THE NEW YORK TIMES AND THE WASHINGTON POST

What Indonesia Needs

Indonesia, battered by economic crisis and unprepared for the eventual departure of its dictator, President Suharto, is jittery over increasing unrest. Well it might be.

The last time the country changed rulers, in the 1960s, half a million people died in the upheaval, most of them ethnic Chinese.

Another violent transition can be avoided by planning now for an orderly and swift shift to democratic rule. For that to happen, Washington must register its objections to the 76-year-old Mr. Suharto's plan to have himself re-elected to a new five-year term next month.

America has complex interests in Indonesia. It needs to promote wiser economic management, to calm investors, to maintain regional security relationships and to minimize the pain suffered by the poor.

But discouraging Mr. Suharto's re-election by a compliant Parliament should be part of the mix. Recovery has been set back by his shifting responses to the financial crisis, including his new proposal to lock in exchange rates with a currency board before putting in place reforms that could make fixed rates sustainable.

Democracy can come about only through Indonesian efforts.

President Suharto has perpetuated his grip by eliminating rivals in the military or officially tolerated parties and ensuring that no plausible successor is ever groomed. If he is to be peacefully eased from power, it will likely require the consent of Indonesia's armed forces, which have played a dominant role in politics and the economy since independence.

That role should be rapidly phased out, for the sake of military professionalism as well as democracy. Members of Indonesia's civic, labor, environmental and religious associations should be allowed to compete freely for political leadership.

Moving toward democracy will not be easy in a country that has known only dictators in its 48 years of independent life.

But the costs of a blocked political system are already visible in recent threats made against the Chinese minority as food prices and unemployment have risen.

The Chinese account for less than 4 percent of Indonesia's 200 million people but own as much as 70 percent of the country's private wealth. Yet for every international tycoon among them, like Mochtar Riady, there are thousands of small shopkeepers and merchants threatened with losing all they have to angry mobs.

Increasing democracy will not eliminate tensions between Indonesia's Muslim majority and Chinese minority. But it can provide more constructive outlets for public fear and anger than now exist.

It also opens new possibilities for replacing an economic system based on cronyism and corruption with an honest, accountable marketplace.

—THE NEW YORK TIMES.

Europe and the Press

Article 10, Section 1 of the European Convention on Human Rights is majestic in its sweep and simplicity. "Everyone has the right to freedom of expression," it begins, "... without interference by public authority and regardless of frontiers."

This is what you would expect from a document that is one of the core sources of liberties claimed around the world.

But look, along with the international watchdog World Press Freedom Committee, at another article. It burdens the exercise of free expression with "duties and responsibilities," permitting restrictions in the interest of national security, territorial integrity, protection of the reputation of others, preventing disclosure of information received in confidence and so on — the whole familiar litany of rationalizations for official censorship.

The West European countries that wrote the convention in 1950 prized their democratic traditions but wanted to preserve a cautionary hand.

In practice, the infrequent applications of Section 2 provisions were largely blunted by rulings of the European Court of Human Rights.

But the dubious language was not altered, and the later addition of formerly Communist-ruled countries to the Council of Europe had the effect of confirming the initial readiness to safeguard the rights of governments to restrict the media.

The World Press Freedom Committee has been on the Council's case for years. It took the glaring internal contradiction to Strasbourg late in 1996, asking whether the Council would tend to the matter if the committee could produce 200 examples of how the offending principles had been used to justify shutting down newspapers, jailing journalists and the like.

"Sure," a Council official said. "Do you have such evidence?"

In the committee's new report, "Perverse Results: How the European Convention on Human Rights supports global restrictions on press freedom," Dana Bullen and Rosalind Stark lay out the evidence case by case.

Over the five years ending in 1996, the restrictions were used nearly 1,200 times in 109 countries to justify assaults on press freedom.

This is a low figure. It excludes the hundreds of other assaults where local free press or human rights groups did not enter the fray.

Noting that the language of the document offers "ready examples — even invitations — to those in power desiring to curb news media," the report found it "profoundly disturbing that ideas contained in overwhelmingly useful human rights documents serve to legitimize abuses against a fundamental human right."

The new report has been met with silence in Strasbourg. It is time to hear what the Council intends to do to halt its equivocation on press freedom.

—THE WASHINGTON POST.

Peru and Ecuador

From being South America's most bitter enemies, Peru and Ecuador are moving to resolve a half-century of conflict that has cost them and their region dearly in blood and treasure and access to a brighter future.

They are now set on completing a peace treaty that will erase the traces of a wasting 19th century quarrel, steady their relations with each other and boost the cause of Western Hemisphere integration. This Tuesday in the capitals of the four treaty guarantors — Brazil, Argentina, Chile and the United States — the drive down the home stretch begins.

The matter lying between Ecuador and Peru is often called a border dispute, but this scarcely describes its sources of ultranationalism and political obsession. Somehow Ecuador came to include the Amazon River as a key element in its national identity. The trouble is, Ecuador was never in contact with or control of territory on the fabled waterway.

A treaty of 1942 with Peru offered Ecuador free access to the Amazon Basin but was never put into effect. The issue has smoldered since; there was a brief but nasty remote-jungle war in 1995. That war's silver lining was the combatants' recognition that the price and peril of their continuing encounters were rising to dangerous levels and blurring their focus on their more important obligations.

They were helped along the way to this conclusion by the four countries that had accepted still-live guarantor responsibilities in the 1942 treaty and that were now pleased to put multilateral hemispheric diplomacy to work.

The result being sought is a treaty that would demarcate a relatively small disputed area in a settled boundary line of more than 1,600 kilometers. It would bestow on Ecuador not sovereignty over this area but navigation rights and full access leading to border integration. The treaty also would create a foundation for contemporary cooperation between the two countries.

The conflict between Ecuador and Peru is a 19th century weight on a continent heading into the 21st century. The treaty under preparation would resolve this conflict the modern way — by applying law. It would mark a triumph of maturity over hysteria.

—THE WASHINGTON POST.

Herald INTERNATIONAL Tribune
ESTABLISHED 1887
KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER
Co-Chairmen
KATHARINE P. DARROW, *Vice Chairman*
RICHARD McCLEAN, *Publisher & Chief Executive*
MICHAEL GETLER, *Executive Editor*
• WALTER WELLS, *Managing Editor* • PAUL HORVITZ, *Deputy Managing Editor*
• KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • SAMUEL ABT and CARL GEWIRTZ, *Associate Editors* • ROBERT J. DONAHUE, *Editor of the Editorial Pages*
• JONATHAN GAGE, *Business and Finance Editor*
• RENÉ BONDY, *Deputy Publisher*
• JAMES McLEOD, *Advertising Director* • DIDIER BRUN, *Circulation Director.*
Directeur de la Publication: Richard McClean

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 41.43.93.00. Fax: Subscriptions, (1) 41.43.92.10; Advertising, (1) 41.43.92.12; News, (1) 41.43.93.38.
Internet address: http://www.iht.com E-Mail: iht@iht.com
Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 119800. Tel. (65) 472-7768. Fax: (65) 274-2334
Mng. Dir. Asia, Terry Domer, 50 Gloucester Rd., Hong Kong. Tel. 852-2922-1188. Fax: 852-2922-1190
Gen. Mgr. Germany: T. Schäter, Friedrichstr. 15, 60323 Frankfurt/M. Tel. +49 69971250-0. Fax: +49 69971250-30
Pres. U.S.: Ann Blinkhorn, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890 Fax: (212) 755-8785
U.K. Advertising Office: 63 Long Acre, London WC2. Tel. (171) 836-4802. Fax: (171) 240-2254
S.A.S. au capital de 1 200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

For Asia, Confidence Means Structural Reforms

By Paul M. Dickie

MANILA — The drastic fall in value of the currencies of some East Asian countries is beyond economic rationality. To survive, the region must confront and begin to resolve a neglected set of major problems.

In the past, large currency depreciations were explained by a loss of export competitiveness, and could be corrected by tight fiscal and monetary policies. The cause of such crises generally lay in wrong macroeconomic policies where the printing of money at home and borrowing too much abroad fueled excessive consumption.

But this time it was different. Asian economies have generally followed sound macroeconomic policies.

Before the crisis began in July, savings were high, budgets were generally in surplus and monetary policies were correct. Current account deficits ranged between 4 and 5 percent of GDP (except for Thailand at 8 percent), reflecting inflows of foreign direct investment which, over time, could be expected to benefit the economy.

What caused the free fall? The answer lies in the structural defects of these economies. While they vary from country to country, financial sector weakness is the notable common problem.

In South Korea, family-run conglomerates were overextended, with average debt to equity ratios of 4 to 1, and in some cases 10 to 1. With government support, banks provided too much credit to diversify and open new export markets. When a cyclical downturn in electronic and other export goods occurred in 1996 and 1997, the conglomerates needed more support than the government could provide. Bankruptcies followed, and the bad debts led to a banking crisis and a loss of confidence by both domestic and foreign creditors.

In Indonesia, since deregulation began in 1988, banks more than doubled in number to reach a total of more than 240, but without proper supervision. Companies overborrowed from local banks.

In addition, the Indonesian private sector borrowed heavily from foreign banks without hedging the foreign exchange risk in case the rupiah fell sharply, as happened after Thailand was forced by a shortage of foreign exchange in July to let the baht float.

Financial governance in the public and private sectors in Indonesia was weak; the influence of business done on political connections was strong. With the fall of the rupiah, firms were unable to repay their foreign debts.

Such structural problems take time to resolve, and it will involve high social costs. But governments have little choice but to commit to the necessary restructuring.

Under the bailouts led by the IMF, Thailand is reforming its banking sector with World Bank help. The Asian Development Bank is assisting with reform of the capital markets. Both banks are helping to build a better social safety net in Thailand. South Korea and Indonesia are involved in similar reform programs.

The way ahead is fraught with difficulty. In the past, "approval charges" (a euphemism for corruption) often hugely inflated major project costs, making them uncompetitive. Asia will have to pay for such hidden charges.

The adjustment costs from this crisis will be massive. Most utilities and companies cannot service their external debts, so bankruptcies and increasing unemployment will compound the problems. Inflation will accelerate to an annual rate of 20 to 40 percent in the worst affected economies. Unemployment at home will be aggravated by jobless migrant workers returning from overseas.

But in each case, the key to recovery will be a credible commitment to reforms. The bottom line is the ability of the government to restore confidence.

In South Korea, President-elect Kim Dae Jung is generating confidence that the tough decisions will be made. The falling rupiah indicates that confidence has yet to be generated in Indonesia.

Once structural reforms have taken hold, and confidence returns, East Asia should be able to absorb the economic and social costs involved. There is no reason the region cannot return to its previous high growth path. But it is easier to say that than to achieve it.

The writer, a senior official of the Asian Development Bank who coordinated the bank's programs for South Korea and Indonesia, contributed this comment to the Herald Tribune.

The United States Lacks Legal Authority to Attack Iraq

By Julie Dahlitz

GENEVA — No extant Security Council resolution provides a mandate for use of force against Iraq in connection with any difficulties in weapons inspections. To use force in the absence of such a resolution would be an act of aggression.

Iraq should not be permitted to flout the will of the Security Council. On the contrary. There is no more urgent task than averting the threat or use of weapons of mass destruction.

Possession of such weapons by anyone who might be expected to use them aggressively is, of course, the greatest danger of all. States or persons who are not prepared to do everything in their power to prevent a situation of that kind have no interest in the world's welfare.

So it should be possible to convince the members of the Security Council to take the necessary steps. So far, there is no indication that they intend to shirk their duty.

It is only the best manner of proceeding that is in dispute — preferably, inspection arrangements that better accommodate Iraqi sensibility without sacrificing efficacy. (Such flexibility is usually shown in weapons inspection regimes.)

Just now, the major problem stems from a widely held erroneous belief that there is a Security Council resolution which permits the use of force against Iraq by the United States and/or any other UN member. At the least, it is thought, there are one or more resolutions that are ambiguous and could be read that way.

That is not so. There is no such mandate.

When the Gulf War ended in April 1991, the Security Council decided by Resolution 687 on a long list of requirements from Iraq, upon acceptance of which a formal cease-fire would become effective. Those requirements included:

"... that Iraq shall unconditionally accept the destruction, removal or rendering harmless, under international supervision, of:

"(a) All chemical and biological weapons and all stocks of agents and all related subsystems and components and all research, development, support and manufacturing facilities related thereto;

"(b) All ballistic missiles with a range greater than 150 kilometers, and related major parts and repair and production facilities ..."

In that resolution's last clause, the Security Council "decides ... to take such further steps as may be required for the implementation of the present resolution and to secure peace and security in the region."

In Resolution 1137 of 1997, regarding similar subject matter, the Security Council "expresses the firm intention to take further measures as may be required for the implementation of this resolution ..."

These resolutions (the only relevant ones) do not give a mandate for military action.

• There is no mention of what state or body may take any action, or of who is to decide — other than the Security Council itself — what and when action "may be required." If specifying those matters were found to be unnecessary, any UN member state could apply any Security Council resolution with the use of force at any time.

• In the past, when there has been consensus in the Security Council to take military action of a kind that, without a mandate, would amount to aggression under the Charter, the Council has used an entirely different form of words, including "authorization" of the action, and naming of who might carry it out.

Examples are to be found in the "Congo (Léopoldville)" Resolution 169 of 1961, in which the Security Council "authorizes the secretary-general to take vigorous action, including the use of the requisite measure of force, if necessary ..."

In the "Desert Storm" Resolution 678 of 1990, unless Iraq complied with the requirement to retreat from Kuwait as described in several earlier resolutions, the Security Council "authorizes member states cooperating with the government of Kuwait ... to use all necessary means to uphold and implement" the relevant resolutions.

The unprecedented dangers of our day require greater wisdom, patience and honest cooperative endeavor than our forebears ever needed. It is to be hoped that those qualities will triumph.

The writer, a specialist in international law and editor of a book series on arms control law, contributed this comment to the International Herald Tribune.

Slay Saddam? Well, No, of Course, but ...

By William F. Buckley Jr.

GENEVA — Certain things, most sensible people will agree, should not be spoken about, and sometimes even deception is in order.

Some years ago I testified as a friendly witness to a defendant in a civil lawsuit. Joe McGinniss, the author of "Fatal Vision," was being sued by Dr. Jeffrey MacDonald. There were special problems posed in the proceedings, because the plaintiff was in prison for life for murdering his pregnant wife and two daughters.

Even so, he had managed to get a judicial hearing, charging that Mr. McGinniss had deceived him when accumulating the research for his book. The defense argued that the author could legitimately conceal his own opinions in order to expedite his research. I concurred.

"So you believe in lying!" the plaintiff's lawyer exclaimed, holding a triumphant hand up in front of the 12 jurors. I replied that the word "lying" had to be appraised by the context. "If my wife says 'Am I still the most beautiful woman in the world?' I don't think I have exactly 'lied' in saying 'yes.'"

The jury divided on the issue, and one wonders how it would come up on a proceeding in which the president was a defendant on the question: Did he lie when he said that a primary purpose in any campaign against Iraq was not the assassination of Saddam Hussein?

On Nov. 20, 1975, a Senate investigating committee headed by Senator Frank Church filed its Report on Assassination. Committee members included such heavyweights as Walter Mondale, Gary Hart, Howard Baker and Barry Goldwater. The report said: "We have found concrete evidence of at least eight plots involving the CIA to assassinate Fidel Castro from 1960 to 1965."

President John Kennedy was not around to deny it. Camelot historians take the position that he did not know about it, did not know about the eight plots by the CIA to assassinate Mr. Castro. Oh, yes, and Bobby Kennedy didn't know about them, either.

Amazing, the independence of executive departments. You can try to kill a foreign leader eight different times, and the commander in chief knows nothing about it.

The point here is that the above was merely one more reenactment of a classic covenant between the prince and his agent bent on missions of a certain kind. That understanding is that no connection between the two will ever be recorded.

A hypothetical scene I once described, in attempting to argue the proposition that assassination is a moral art form: Suppose that Idi Amin, the half-crazed former leader of Uganda, has acquired a nuclear bomb and is now at Entebbe airfield to dispatch an airplane with instructions to drop it over Tel Aviv. In the scenario, a CIA agent is hidden 100 meters away with a 30-caliber scope sight rifle and a radio. "I have Amin in my crosshairs. Do I pull the trigger?"

The man in the White House says: "Yes, but whether you're caught or not caught, I knew nothing about it."

After the Church report was filed, President Gerald Ford issued an executive order forswearing assassination as a legitimate instrument of foreign policy, and it is quite right that he should have done so, and all leaders should forswear assassinations. But — need we say more?

Headline in the International Herald Tribune: "The Unanswered Question About Iraq: What to Do About Saddam?" The Feb. 12 story carries news of the security seminar conducted in Munich to help Secretary of Defense William Cohen brush up on his arguments before arriving in Moscow. Manifestly, whatever preparation he made didn't get him very far with Russian Defense Minister Igor Sergeyev on the matter of using force against Saddam.

But the Tribune story replayed the commentary at the seminar of Richard Perle, formerly with the Reagan administration, who said he liked to think he was not the only person in the room who hoped that no diplomatic solution to the problem of Saddam would be found. If you want to, you can read that as Aesopian language for: Get Saddam.

Mr. Perle's published views on the Iraq situation call for a total effort based on enlivening the Iraqi opposition. With the view to what? To ending the career of Saddam, which is a genteel way of saying to end the life of Saddam.

Those who balk at what they are tempted to denounce as moral circumlocution are generally correct. In the last analysis, such liberties can be defended only in airtight moral situations ... It would have been good, no, if somebody had shot Hitler? Never mind who put him up to it.

The writer, a syndicated columnist, contributed this comment to the International Herald Tribune.

Irish Hard Men vs. the People

By Anthony Lewis

DUBLIN — It takes determined optimism to believe in the possibility of peace in Northern Ireland. The conflict traces back 800 years, to the first English invasion of Ireland. In its modern form — the sectarian violence of the last 30 years — it has cost more than 3,000 lives. Every attempt to resolve it politically has foundered on the profound emotional attachments of one side or the other.

The current attempt at a negotiated settlement, the most promising ever, has run into familiar disaster. Two killings connected to the Irish Republican Army have brought demands to expel the IRA's political party, Sinn Fein, from the talks. Without Sinn Fein, any negotiated agreement would be meaningless.

But the British and Irish governments, co-sponsors of the talks, are not giving up. There is reason for their belief that this time negotiation could still work. The reason is that political realities in Northern Ireland have changed.

The Protestant majority and the Catholic minority alike are overwhelmingly opposed to violence for political ends. Polls show that people on both sides want to see paramilitary groups — the IRA and extremist Protestant gunmen — disbanded. Both sides accept the need for legal guarantees against discrimination — a large step away from the old Protestant assumption of domination.

More and more Catholics now accept the good faith of the British government. Prime Minister Tony Blair gained much credit when he set up an inquiry into Bloody Sunday, the shooting of unarmed Catholic civilians in Londonderry by British soldiers in 1972.

The old idea that Britain is in Northern Ireland for economic or imperial reasons is giving way, among Catholics, to the realization that the real reason is Britain's obligation to Protestants who want to remain part of the United Kingdom.

The formula put forward by the British and Irish governments, as a premise of any negotiated settlement, is that there will be no change in the status of Northern Ireland without the consent of its people.

Although that gives the Protestants a veto over change as long as they are the majority in the province, a poll shows that more than 80 percent of Catholics accept the idea.

But will the IRA accept a settlement that recognizes the present status of Northern Ireland? Its historic stance has been that the division of Ireland is illegitimate, that the North must be part of a united Ireland. And the IRA has embraced violence as a proper means to that end.

Gerry Adams, the president of Sinn Fein, says it is committed now to the path of politics. Last year it won 16 percent of the vote in Northern Ireland. But the Ulster Unionists on the other side of the negotiating table say that his profession of nonviolence is not sincere — or that, if it is, he does not control the IRA.

For the first five weeks of this year the IRA exercised self-control in difficult circumstances. Protestant extremists killed six Catholic civilians; the IRA did not respond. Then, last week, killers said by the police to be connected to the IRA murdered a drug dealer and a Protestant extremist. Why would the IRA break its cease-fire? No one can be sure.

When gunmen associated with the fringe Unionist Party carried out several killings last month, the party was expelled from the negotiations — but it is about to be readmitted. If Sinn Fein is treated the same way, that will present a crucial test of IRA intentions. Will it turn against the talks? Or will it maintain a cease-fire in the weeks ahead in order to be readmitted?

As always in the North, the issue is not one-sided. Whether the Protestant parties will accept a final compromise agreement is very much in doubt. One of their leaders appeared on television tearing up the framework of an agreement proposed by the British and Irish governments.

But the IRA is at the heart of the puzzle. Fintan O'Toole, writing in The New York Review of Books, said the question was "whether, without the reward of power, an undefeated paramilitary army can be persuaded to trade the epic certainties of violence for the unglamorous ambiguities of peaceful politics."

Despite all, I think there is reason for hope.

Everyone knows now what a settlement will look like: more involvement by the Irish Republic in the North, but the union with Britain untouched for now. Violence will not change that. The people yearn for peace. Will the hard men deny it to them?

The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: The Maine Sinks

PARIS — The United States battleship Maine sank in Havana harbor at midnight Tuesday [Feb. 15] after an explosion which wrecked the forward part of the vessel, causing terrible loss of life among her crew. There were more than 400 men on board, of whom only 33, including all but two of the officers, are so far known to have escaped. Captain Sigsbee, the commander, was not on board at the time. The explosion is said to have been due to spontaneous combustion in the coal bunkers around the forward magazine.

1923: Pharaoh's Tomb

LUXOR — The sealed door of the tomb of Tutank Hamen, in the Valley of the Tombs of the Kings, was pierced, and the modern world is now in possession of a rich treasure of secrets of antiquity. As was expected by American and British archæologists who had gathered for this important event, the inner chamber was found to contain the sarcophagus of the King and, in addition, a vast quantity of rich furniture from the Royal palace.

1948: Indian Politics

NEW DELHI — The working committee of the all-India Hindu Mahasabha, an organization now under fire for its rabidly pro-Hindu bias, has resolved to suspend all political activities and concentrate instead on the relief and rehabilitation of refugees and on non-political work tending to "create a powerful and well-organized Hindu society in an independent India." The Mahasabha, which gained considerable power during the last year, suffered a tremendous setback when it was revealed that Mahatma Gandhi's assassin was a member of the association.

OPINION/LETTERS

In a Leaky Town, It's Hard to Point Fingers

By Richard Harwood

WASHINGTON — David Kendall, the private lawyer representing President Bill Clinton in his woman troubles, cried out recently against the "deeply unfair and prejudicial" news leaks in the case of Monica Lewinsky et al.

They are designed, he said, to adversely "affect public opinion ... and cause political harm to the president." Besides, he added, they are unethical and may in some cases be illegal.

The principal culprit, he declared, is the independent counsel Kenneth Starr. His willing accomplices are leading members of the media establishment — the television networks, The New York Times, The Washington Post, the Wall Street Journal, Newsweek, Time and other publications.

If, as Mr. Kendall asserts, the leakers in this case hoped to do political harm to the president, they have bungled the job.

President Clinton, up to now, is a big winner. His poll ratings have risen to stupefying heights, while Mr. Starr's have been sinking. The media have suffered, too. People avidly consume what we are telling them but say they don't believe most of it.

Both Mr. Starr and the press probably would suffer even more if Mr. Kendall's allegations turned out to be true. But that is not likely without better evidence than he produced in a 45-page letter addressed to Mr. Starr and released to the press at a televised news conference.

He cited 40 or so instances of "what is now commonplace — legally protected grand jury material strategically leaked from [Mr. Starr's] office." I wondered at the time why these charges were not published in detail. Having now read the Kendall letter, I understand the omission. In most of the leaks Mr. Kendall cited, no obvious or necessary connection to Mr. Starr's office is demonstrated.

Nor is there a demonstrated connection in most of these cases to any forbidden fruit growing out of grand jury proceedings.

More than half of the leaks on Mr. Kendall's list involve statements supposedly made in tape-recorded conversations between Ms. Lewinsky and Linda Tripp.

The contents of the Tripp tapes have not been one of the world's better-kept secrets. They were in circulation months before Mr. Starr or Mr. Kendall or the White House or any grand jury ever heard of them. Ms. Tripp shared portions of them with Newsweek. She gave copies of the tapes to her friend Lucianne Goldberg, a New York publicist who wanted Ms. Tripp to write a book about White House scandals.

Her friend Ms. Goldberg also knew David Kendall, according to an account in Newsweek. They had once worked together. As a lawyer for a supermarket tabloid — the National Enquirer — Mr. Kendall vetted for libel a book Ms. Goldberg was peddling as an author's agent.

After the Lewinsky story broke, Mr. Kendall asked Ms. Goldberg if "he could send someone by her New York apartment to pick up her tapes of her conversations with Linda Tripp." Ms. Goldberg refused.

Mr. Kendall's catalogue of Mr. Starr's offenses also included a number of "leaks" involving negotiations between Mr. Starr and Ms. Lewinsky's lawyer, William Ginsburg, over immunity terms for his client in exchange for her testimony.

Mr. Kendall implies that only Mr. Starr could have leaked those details. That's an odd assumption. Mr. Ginsburg, since he first hit town a few weeks ago, has given new meaning to the phrase "talking head." One Sunday he set a record for talk show appearances, and one of his favorite subjects has been the progress or lack of it in his negotiations with Mr. Starr.

The Lewinsky leaks could have come from any number of sources.

The universe of suspects in the Washington leaking game is almost limitless. Many defense lawyers besides Mr. Kendall know what is going on; they have made an agreement to share information about what their clients have said in and out of grand jury rooms.

People in the Pentagon — friends or acquaintances of Ms. Lewinsky's — have heard her tales of a relationship with the president and have passed those tales to others. Some Justice Department lawyers and U.S. marshals possess information that may be relevant to leaks Mr. Kendall puts at Mr. Starr's doorstep. Lawyers and others involved in the Paula Jones sexual harassment suit know what Mr. Clinton said in his deposition in that case and no doubt have other tidbits of interest to the press.

Ms. Tripp, Ms. Goldberg and members of Monica Lewinsky's family and circle of friends are not empty vessels on that score. Mr. Starr's office has 20 lawyers, a 20-member support staff and a large contingent of FBI agents. Mr. Kendall's law firm, Williams & Connolly, which represents The Post among other clients, has 66 lawyers and numerous support personnel. The White House itself is not known as a tomb of well-kept secrets.

Then there is the ravenous press corps; some members know a great deal about who has and has not figured in the saga of the president and the intern. Mr. Kendall knows who they are. If things proceed in the courts in his case against Mr. Starr, will these journalists be subpoenaed as witnesses? No federal law exempts them from testifying, and it is an unresolved question how the courts might rule if they refused to testify.

Mr. Starr has called for a leak investigation, too, and FBI agents have been dispatched to carry out that task. But whether he can direct or supervise an investigation of his own operation that would be seen to be credible is doubtful. If history is any guide, it also will be fruitless, and the leakers never will be found.

Leaking is too deeply embedded in the political culture of Washington to be rooted out in an ad hoc way. Too many people have a vested interest in the status quo. With the way things are going, even the president may have no incentive to lead a charge for change.

The Washington Post

Evidence of Chinese Espionage at the White House

By William Safire

WASHINGTON — On Sept. 13, 1995 — a date that will live in Clinfamy — a midlevel Commerce Department official with top-secret security clearance named John Huang entered the White House, listing as "visitee" Nancy Hernreich, the president's assistant.

That subterfuge was to conceal his presence at a 5:15 meeting in the Oval Office with President Bill Clinton and the Lippo Group's James Riady, the Indonesian banker and financial contributor who had placed his longtime employee, Mr. Huang, in position to see U.S. secrets.

During his 18 months of reading secret cable traffic, Mr. Huang received 37 personal briefings from a top-ranking CIA officer on the findings of U.S. agents in Asia, at which he could view some 500 pieces of raw intelligence that revealed sources and methods.

In that span, Mr. Huang made 261 calls from his Commerce office to Lippo in Los Angeles and Indonesia and 21 calls to Mark Middleton, the Clinton aide who had gone through the revolving door to Lippo. He also made 10 calls and paid a visit to Webster Hubbell, who had been paid $100,000 by Mr. Riady as a favor to Mr. Clinton just before Mr. Hubbell's indictment.

Unbeknownst to his Commerce colleagues, Mr. Huang entered the White House and Executive Office Building 67 times. Surreptitiously, he regularly visited a "drop" across the street from Commerce maintained by the Lippo ally Stephens Inc., where — often just after CIA briefings — Mr. Huang sent and received faxes and packages and made calls he did not want to appear on Commerce records.

At the Sept. 13 Oval Office meeting, Mr. Clinton — desperate for TV money — reassigned Mr. Huang to the Democratic National Committee, where he could raise funds from those he had serviced. He was the only DNC official ever to be able to keep his security clearance.

These damning facts are from the final draft report of the Senate's Thompson committee. In rare agreement, the counterintelligence arm of the FBI and counterspies in the CIA approved this statement to be issued by the Senate next week:

"There are indications that Chinese efforts in connection with the 1996 elections were undertaken or orchestrated, at least in part, by People's Republic of China intelligence agencies."

That agonizingly worked-over judgment by America's intelligence establishment is a stunner. China's spy network succeeded in penetrating the Clinton White House.

We are not dealing here merely with lobbying conducted covertly, unlawful though such secret activity is. As the language in the report the Senate worked out with the CIA, FBI and NSA makes clear, "the PRC engaged in much more than simply 'lobbying.'"

We are confronted by evidence of espionage. It was conducted by operatives assigned by Chinese intelligence to collect U.S. trade policy and other official secrets, as well as by agents of influence directed by Beijing to buy changes in U.S. foreign policy.

"A variety of PRC entities were acting to influence U.S. elections," the unclassified Senate report states. A top-secret appendix containing evidence to back up these conclusions is to be locked away in inaccessible archives for decades.

Such "graymail" is unacceptable. More news about the spy ring must be forced out. Our first priority is to protect U.S. elections from foreign meddling; we Americans have a need to know more right now about what spies corrupted what U.S. politicians with Chinese government money.

That's why aggressive prosecution of the sexless scandal is needed.

After 15 months of letting the trail go cold and agents flee, the Clinton Justice Department was recently impelled by the impending Senate report to hand up its only indictment in the case: Yah Lin (Charlie) Trie of Little Rock, Arkansas, and Macao.

What other suspected members of the Riady ring go unprosecuted by ditherers at Justice? Al Gore's Buddhist temple friend is one: "The Committee has learned that Maria Hsia has been an agent of the Chinese government ... that Hsia has worked in direct support of a PRC diplomatic post in the U.S."

The Thompson investigation, which has been underestimated, should wake us up. The courts should give the new independent counsel in the Bruce Babbitt case the task of bringing all those in the campaign-finance scandal to justice.

The New York Times

What Makes Literature Today? Race, Gender and Class

By Jonathan Yardley

WASHINGTON — The rest of the world may have its gaze fixed on Monica and Saddam Hussein and other eminent mischief makers of the day, but the priests and priestesses — priestpersons? — of the campus depart not a moment from their appointed rounds.

As evidence of this, word came the other day from campus about a quite remarkable document. It was passed along by a mole in the English department at a major public university, but it is anything except a secret. It is a memorandum to English departments around the country from the editor of a hugely successful literary anthology, and it tells us all we need to know about the state of the humanities departments these days.

MEANWHILE

If you are an undergraduate at an American institution of higher education, the odds border on overwhelming that sooner or later you will have to take a survey course in American literature and pony up close to $100 for either the Heath Anthology of American Literature or the Norton Anthology of American Literature.

Among the English department illuminati and students, the two are known simply as "Heath" and "Norton." As my informant reports:

"They are both in two volumes and both big-time moneymakers. To maximize investment, editors need to get contents changed around every few years or the used book market will eat up the publishers' profits. ... These books are very expensive ... hence another reason for churning contents."

Churning is just what the good folks at Heath are up to these days. A new edition of the Heath is on the market, so you will not be surprised to learn that it is in the interests of Heath, as well as its allies in the English departments, to make the new Heath seem far more attractive to potential users than the new Norton.

The stakes are huge: big-time entrepreneurial capitalism at work, bleeding the masses. But in this instance it bleeds them for their own good. Last month's memorandum to the English departments came from Paul Lauter, editor of the Heath anthology, who was hustly engaged in putting what he called "something of a commercial spin" on the new Heath's virtues.

They are, as the memorandum makes abundantly — if not appallingly — clear, the virtues of political correctness and diversity gone berserk.

Did you think that there's still a "canon" of works by "dead white males" to which poor impressionable collegians are subjected against their will? As we say in the movies: fuggeddaboudit! The new Heath anthology is proudly presented as the very model of modern multiculturalism.

Whereas pitiable old Norton insists on torturing the young with "a certain tendency toward conventional selections," Heath turns up its nose at the likes of Cheever and Roth and Vidal — even Vonnegut! — to give its clients a "historically rich, more accurate and complete account of American writing and American cultures," the memo says.

That is, the contents of the Heath have been chosen on the quota system.

Norton, Heath's editor charges, has "a significant weakness ... with respect to coverage of minority and white ethnic writers"; it includes "only one writer of Puerto Rican origins" and omits "many of the key Chicano/a writers"; its "selection of white ethnic writers (Italian and Jewish American particularly) is equally weak," and its "coverage of writers of the 1930s is practically nonexistent."

Heath, by glittering contrast, includes many writers whom Norton utterly overlooks: Tillie Olsen ("a major influence on feminist writing and thinking"); Rolando Hinojosa ("who, among other things, is among the best-known 'American' writers in Latin America"), and Carolyn Forche ("more and more seen as the most significant American poet of working-class origins and subjects").

Where Norton "begins with Columbus," Heath "begins with a variety of Native American texts." Heath has a "new selection of the work of 19th century women poets," a "'sheaf' of political poetry from the modernist period" and "19th-century writers ... important from American studies and women's studies perspectives."

Et cetera. Could one imagine more compelling evidence that the teaching of literature in the American academy now has nothing to do with literature and everything to do with ideology? The Heath table of contents as thus so proudly described isn't a guide to literature, it's a snapshot of the Rainbow Coalition. Writers are included not because of the quality of their work but because of who they are and what special interests they represent.

At the end of his interminable missive, Mr. Lauter signs off with his name and a quotation from Bob Dylan: "You don't need a weatherman/ To know which way the wind blows."

No, all you need is a copy of the new Heath Anthology of American Literature. It's an ill wind and it blows no good.

The Washington Post.

LETTERS TO THE EDITOR

Attacking Iraq

Regarding "Clinton Hems and Haws Toward Retreat on Iraq" (Opinion, Feb. 12) by Jim Hoagland:

Mr. Hoagland says that President Bill Clinton's "indecision, and his distraction with the Lewinsky affair, prevent his Iraq crisis team from projecting the kind of determination and resolve that George Bush and Jim Baker showed" in 1991.

This is not only extremely unfair to the president, it is an egregious misreading of history. In 1990 Saddam Hussein invaded a helpless Kuwait. It was not inordinately difficult to raise an international coalition against a global menace. The threat today is quite different. It is not direct or immediate, and there is not even universal recognition that a threat exists (however wrongheaded such a view may be).

Mr. Hoagland also fails to say clearly what he thinks President Clinton should do.

There is an almost unanimous consensus of military experts and commentators that even a sustained air attack would not bring Saddam Hussein down or destroy his capability to manufacture biological weapons. Worse, it might well allow Saddam to stop even the limited inspections he now allows.

It must be obvious by now that only an invasion by ground troops can achieve U.S. objectives in Iraq. If this is what Mr. Hoagland thinks President Clinton should order, he should say so. Mr. Hoagland also should indicate whether he thinks the American people are likely to support an invasion of Iraq. He expresses doubt about their willingness to accept an endless series of air strikes. Does he think they will be any more willing to accept an invasion?

To hesitate in the face of such an agonizing dilemma is not a sign of weakness or distraction. It is an imperative of responsible leadership.

CHRIS G. PETROW.
Neuilly-sur-Seine, France.

Regarding "Fight the Battle Against Saddam" (Opinion, Feb. 11) by A.M. Rosenthal and "Use All Necessary Force to Remove Saddam in Gulf War II" (Opinion, Feb. 3) by William Safire:

I am truly fed up with the tough-talking duo of Messrs. Safire and Rosenthal, who seem hell-bent in favor of bombing Iraq without any concern for innocent civilians.

This tough talk stands in strong contrast to their consistent praise for Israel's prime minister, Benjamin Netanyahu. Israel has the most devastating weapons of mass destruction in the region and has consistently defied United Nations resolutions and thumbed its nose at the U.S. government by refusing to honor the Oslo accords.

I wish Mr. Safire and Mr. Rosenthal would be more just in their commentary. Everyone wants to see a weapons-free Middle East, but Israel must be part of it.

AMER MATAR.
London.

It is time to remind the governments dealing with the Iraqi affair that an armed attack against any state, including "rogue" states, may be decided only by the United Nations Security Council.

The decision must be adopted by an affirmative vote of nine members of the Council, including the concurring votes of its permanent members: China, France, Russia, Britain and the United States.

Use of force without the express authorization of the Security Council would violate the UN Charter. It would be a severe blow to the authority of the United Nations and could mark the beginning of its steep decline.

JOZEF GOLDBLAT.
Geneva.

The writer is a consultant to the UN Institute for Disarmament Research.

It should come as no surprise to President Clinton and the U.S. Congress that few countries are willing to jump on the bash-Iraq bandwagon this time around.

It is no longer possible to credibly portray that wretched country as a threat to world security. It appears that Saddam Hussein is a convenient bogeyman to be pulled out whenever America needs a financial shot in the arm, when it needs to dispose of large amounts of obsolescent weaponry or even, perhaps, when the American public needs to be distracted from internal affairs.

GHAZI M. FAZIL.
Madrid.

Starr-Struck

Regarding "Is Prosecutor Playing Too Rough?" (Feb. 14):

With the increasing number of innocent "Starr-struck" victims, might it not be appropriate to remind the independent prosecutor that his great forerunner, Savonarola, was eventually burned at the stake himself?

RAINER ESSLEN.
Avignon, France.

BOOKS

BLACK AND BLUE

By Anna Quindlen. 293 pages. $23. Random House.

Reviewed by Maureen Corrigan

EXTREME adventure tales have been all the rage lately. As typified by books like Jon Krakauer's "Into Thin Air" and Sebastian Junger's "Perfect Storm," these swashbuckling stories recount the age-old contest of man against nature, with man usually left standing, bloody but unbowed, amid the wreckage of his fancy sporting gear.

There is also a female variant of the extreme adventure tale: the precarious situations described in these stories — childbirth, abusive relationships, fatiguing caregiving — are ones that women alone almost exclusively face and their physical ordeals are augmented by weighty emotional burdens. (The famous section of "Jane Eyre" in which Jane flees from her wedding to Rochester, stumbles through a storm on the moor and then suffers months of schoolteaching drudgery is an exemplar of the female extreme adventure tale.)

Above all, it's the quotidian quality of their pain that separates the women from the boys. Blinding blizzards and numbing frostbite, as Krakauer describes, last for a few hours and then, one way or another, the nightmare is over. In contrast, the torment that Anna Quindlen's heroine endures in "Black and Blue" continues year after year; climbing Mount Everest looks like a snap compared with waking up every morning with a lump of dread lodged in your throat.

Quindlen, a former columnist of The New York Times, made her first foray into the female extreme adventure tale in her previous novel, "One True Thing," which chronicled the everyday horrors a young woman braves in nursing a dying parent. In this, her grim and engrossing third novel, Quindlen proves herself a virtuoso of the genre. Her heroine, Fran Benedetto, is a 38-year-old nurse from Brooklyn. She's competent not only at her work but also at hiding the bruises from the beatings her policeman husband, Bobby, inflicts upon her. Sometimes, when things get really bad — a broken collarbone, a broken nose — Fran thinks about doing something, but what? As Bobby gloatingly asks after a particularly brutal episode: "What are you gonna do, Fran? Call the cops?"

Bobby's taunts, fists and tearful apologies, however, are the stuff of Fran's agonized flashbacks because "Black and Blue" opens on her suspenseful escape. Since divorce is not an option (Bobby would kill her first), Fran has decided to disappear, taking along her and Bobby's 10-year-old son, Robert. Early one fateful morning, Fran chops off her long red hair with kitchen scissors, dyes it blond and grabs Robert. Assisted by a member of an underground women's rescue network, they drive to Philadelphia's 30th Street Station, and there they sit, waiting for another anonymous angel of deliverance to tell them what train to board to their new life.

Fran and Robert eventually wind up in a crummy garden apartment in Lake Plata, Florida, an American Nowhereville of strip malls and retirement complexes. Under the alias Beth Crenshaw, Fran enrolls Robert in school and begins working as a home health-care aide. And she waits every day for Bobby to find them; she knows it's only a matter of time.

Battered wives, unfortunately, are a staple of daytime talk shows and made-for-television movies. To make Fran's mundane misery matter to us, Quindlen, paradoxically, must pull all the rabbits out of her writer's magic hat. As our narrator, Fran recounts her days in such richly textured language that we taste the peanut butter (no jelly) sandwiches she prepares for Robert; we smell, with despair, the moldy carpeting in her Florida apartment.

After hearing what Fran has been through and eventually finding out the terrible price she will pay for her freedom, we can forgive Quindlen for rewarding Fran in Florida with a stalwart boyfriend and a best girlfriend, the only somewhat implausible elements in this otherwise vivid, compassionate and tense novel.

Maureen Corrigan, the book critic for the National Public Radio program "Fresh Air" and teacher of literature at Georgetown University, wrote this for The New York Times.

CHESS

By Robert Byrne

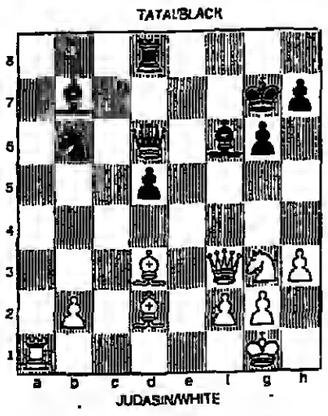
THE traditional New Year's International Tournament in Reggio Emilia, Italy, ended in a tie for first place between the grandmasters Dimitri Komarov of Ukraine and Leonid Judasin of Israel. Each scored 7½-3½.

This 12-player, invitational round-robin competition, doubled as the 57th Italian Championship, which went to the highest-scoring Italian citizen, Igor Efimov, an immigrant grandmaster originally from Georgia. Efimov shared third place with Smbat Lputian, who, as an Armenian, was not eligible for Italian honors. Each tallied 7-4.

Komarov played conservatively, without losing a game; Judasin took his chances, lost a couple, but won six. In the 10th round, he defeated the Italian international master Stefano Tatai with clever tactics.

The advance 9d4 in the Closed Ruy Lopez declined in the mid-1920s, when the strength of the pin 9...Bg4 came to be appreciated, and was replaced by 9 h3. But lately this old line has inspired players to give it a new workout. Maybe that pin is not such a bogy after all.

After 10 d5 Na5 11 Bc2, White could not have prevented Black's counterplay against the center with 11...c6, but he still hopes to make use of the open d5 square and possibly the f5 square for eventual knight outposts.



Position after 29 ... Kg7

RUY LOPEZ

White Judasin	Black Tatai	White Judasin	Black Tatai
1 e4	e5	18 Bd3	Nb6
2 Nf3	Nc6	19 Bh6	Rfd8
3 Bb5	a6	20 ab	ab
4 Ba4	Nf6	21 Qe2	b4
5 0-0	Be7	22 cb	Ra1
6 Re1	b5	23 Ra1	d5
7 Bb3	d6	24 Ne5	Qd6
8 c3	0-0	25 Nf7	Kf7
9 d4	Bg4	26 e5	Qb4
10 d5	Na5	27 ef	Bf6
11 Bc2	c6	28 Bd2	Qd6
12 h3	Bc8	29 Qf3	Kg7
13 dc	Qc7	30 Nh5	gh
14 Nbd2	Qc6	31 Qh5	Kf8
15 Nf1	Nc4	32 Bh6	Ke7
16 Ng3	g6	33 Re1	Kd7
17 a4	Bb7	34 Qf5	Resigns

In an Emil Sutovsky-Gildardo Garcia game in Groningen, the Netherlands, in December, Black revived an old counterattack with 16...Re8 17 a4 Bb7 18 Qe2 d5!? 19 ab ab 20 Ra8 Ra8 21 ed Qd5 with good results. That may be the right way to go.

After 21 Qe2, Tatai could not defend his b pawn with 21 ... Ba6? because of 22 Ra6 Ra6 23 Bb5. Thus, he put his hopes on the sacrifice with 21 ... b4 22 cb Ra1 23 Ra1 d5.

But Judasin went right ahead with 24 Ne5 and, on 24 ...Qd6, he sawed through the complexities with 25 Nf7! Kf7 26 e5 Qb4 27 ef Bf6 28 Bd2! Tatai was not going to recover a pawn with 28 ... Qb2? because 29 Rb1 Qd4 30 Be3 wins a piece.

With 29 Qf3, Judasin consolidated into a winning position. And when Tatai got out of the pin on the f line with 29 ... Kg7, Judasin struck with 30 Nh5! After 30 ... gh 31 Qh5, defense by 31 ... Rh8 is smashed by 32 Bh6 Kg8 33 Qe8.

If 32 ... Kg8, then 33 Bh7! Kh7 34 Bf8 Kg8 35 Bd6 Rd6 36 Qe8 Kg7 37 Ra3 decides. In this line, if 33 ... Kh8, then 34 Bf5 threatens a crushing discovered check.

After 32 Bh6 Ke7 33 Re1 Kd7 34 Qf5, the black queen is lost after 34 ... Kc6 35 Re6 or 34 ... Kc7 35 Bf4. Tatai gave up.

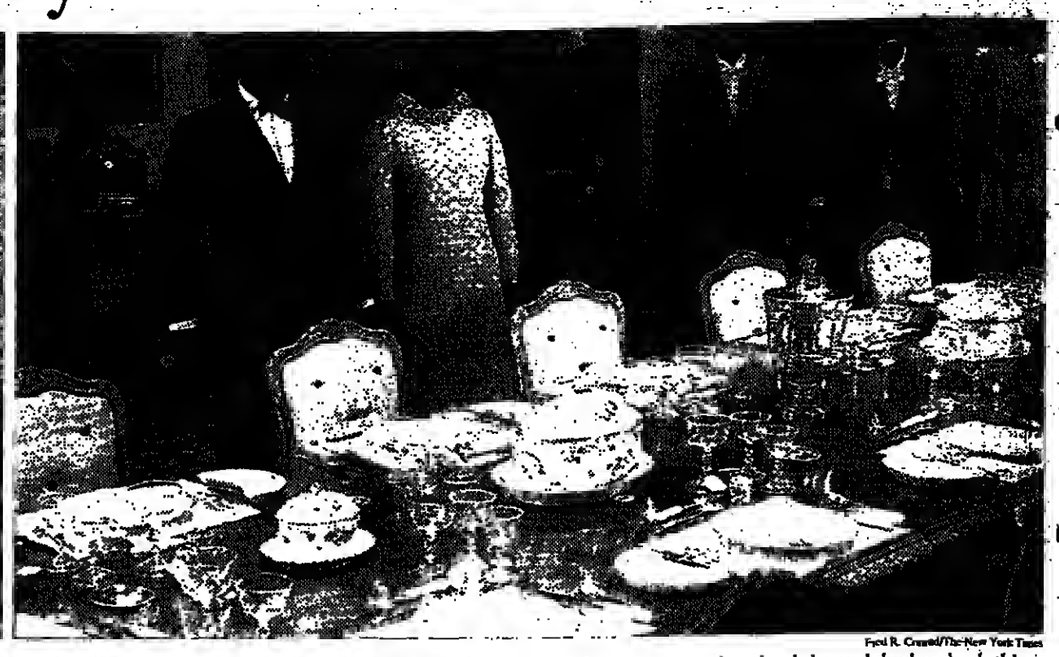
Style

TOMORROW: STAGE

The Windsor Sale: A Cautionary Tale of Consumerism

The Associated Press

Duke and Duchess in Paris. 1964.



Fred R. Conrad/The New York Times

At left, the library, with Gerald Brockhurst's 1939 portrait of the duchess; and mannequins in the dining room wearing the duke and duchess's clothing.

A Lifetime Amid His Books

By Rita Reif
New York Times Service

NEW YORK — Throughout his life, the Duke of Windsor lived surrounded by books. There were Bibles and prayer books that were given to him in childhood by his mother and his grandmother and 20th-century history books inscribed and sent to him by the world leaders who had written them.

There were numerous books on his world travels, British royalty, golf, fox hunting, military history, cooking, wines, fashion, art, literature and pugs.

Books were part of the trappings of privilege, and the duke continued to accumulate them. He carted them with him whenever he changed residences, from palace to palace, first as Prince Edward of York, then as Edward of Wales and, finally, as King Edward VIII.

After he abdicated in 1936 and became the Duke of Windsor, he married Wallis Warfield Simpson, and the couple — and his books — moved to Paris. The duke and duchess kept books everywhere in the house: in the library, the drawing room, the study near his bedroom and even on the walls of the air-raid shelter in the basement. But they were apparently as much for display as for consumption; by all accounts, the duke would rather do needlework than read, though some of the books are well thumbed.

The Sotheby's sale of the Windsors' possessions that begins Tuesday represents a bonanza for book collectors for two reasons: Many of the books are inscribed by the powerful, rich and famous, and they are also from the first British royal library to come on the market.

The 3,000 books, divided into 327 lots, and the 450 documents and notebooks, in 104 lots, will be sold at 12 of the 18 sessions of the auction.

"I found the library undisturbed, a gold mine of books that revealed a great deal about Edward VIII," said David N. Redden, a Sotheby's executive vice president, who went to Paris in September 1996 to organize the Windsor sale. "They conjured up for me what life must have been like for the duke: the princeling with a tutor and not a lot of friends, the world traveler known as Britain's best salesman, the man who became king and then ex-king in less than a year, banished with his bride."

One of the most coveted items is likely to be a copy of "Profiles in Courage," inscribed in 1955 by John F. Kennedy: "To the Duke and Duchess of Windsor with the highest respects." The presale estimate of $2,000 to $3,000 may well prove to be conservative. Two years ago at the auction of the Jacqueline Kennedy Onassis collection, a copy of the Duke of Windsor's 1951 book, "A King's Story," dedicated to John F. Kennedy by "Edward," was estimated to sell for $1,000 to $1,500 and brought $74,000.

Redden was struck by an object that be found on a table in the front hall of the Paris mansion, near the library, which he described as one of the most evocative reminders of the duke's past: a red leather document box, stamped "The King," the only object so marked in the collection. The relic had been used as a mailbox.

Celebrity And Acquisition

By Mitchell Owens
New York Times Service

NEW YORK — Auctions are about shopping. But increasingly, they are becoming a chance to reflect on the ultimate futility of acquisition.

Consider Sotheby's dispersal of the Duke and Duchess of Windsor's household chattel, from the formula for her L'Oreal hair dye to his painted taffeta heraldic banner to their 1940s neo-traditional furniture by Jansen, the eminent Parisian design house. These and more than 40,000 other Windsor relics will be disposed of in a nine-day sale that begins Tuesday at Sotheby's.

Emboldened perhaps by the round-the-block lines for the Jacqueline Kennedy Onassis sale in 1996 and last year's auction of the estate of Pamela Harriman, Sotheby's specialists have used the Windsor windfall to exercise a curatorial breadth and narrative swagger that is more typical of museums than of auction floors. This distinction is partly due to the expertise of Ralph Appelbaum Associates, a New York design firm specializing in museum shows.

Instead of simply setting out the possessions like so much merchandise to be moved, Appelbaum, in partnership with specialists at Sotheby's, has transformed two selling floors into a theatrical fun house suffused with a flair similar to the one Diana Vreeland brought to the moribund Costume Institute of the Metropolitan Museum of Art in the 1970s.

Half documentary and half high-tone estate sale, the auction and its installation carry a poignant subtext that gives visitors an experience that may be more serious than they, and perhaps even Sotheby's, bargained for. The Windsor story, as seen here, is a contemplative and deeply moving visual biography that tells several cautionary tales — of consumerism run amok, of lives unfulfilled, of chances wasted and of cultural wounds that remain resolutely unhealed.

One elderly man was overheard at a preview last week muttering deprecations about the duchess as he glared at a giant image of her and the middle-aged duke beaming in the entrance hall of their mansion on the Bois de Boulogne in Paris. After 62 years, it is apparent that neither style nor time has given the Windsors a break. Of course, they only had themselves to blame.

When measured by reality's cold light, the Windsors' celebrity was based solely on one rash act. "Why are we celebrating?" an old acquaintance of the duchess's pondered in his journal when the dethroned king and his wife drove through her native Baltimore in an official motorcade. "She brought down a king."

The duke made no lasting impact on history, except in fashion, with the Windsor-knotted tie and a daredevil abuse of tartan. The duchess, who wrote that "the possession of beautiful things is thrilling to me," supported none of the arts except couture.

Neither of them said anything particularly memorable, though the duke's declaration that he abandoned his country for "the woman I love" has a certain fatalistic glamour. The duchess's brittle bon mot about never being too rich or too thin (Elsie de Wolfe, one of her decorators, probably said it first) resounds with what Noël Coward once called the potency of cheap music.

In the end, the sum of the Windsors' lives is not a matter of history but of the accumulation of possessions. The public exhibition of their goods ran through Monday. Net proceeds from the sale, which Sotheby's estimates will bring in $5 million to $7 million, are to be distributed to children's charities that were supported by Dodi al Fayed and Diana, Princess of Wales. The sale had been scheduled for September but was canceled when the couple were killed.

A close look at the Windsors' displaced furnishings reveals a luxurious, slightly camp stage set on which not even the actors seemed secure in their roles. A magnificently stylish pair of tortoise shell and ivory consoles by Jansen turn out to be artfully painted wood an eighth of an inch thick. Then there is the avalanche of oversize monograms, exquisitely worked in gold, red or blue — on handkerchiefs, handbags, pillows, shoes, telephone books, note paper, even china toothbrush cups.

There are so many monograms one gets the uncomfortable feeling that the duke and duchess spent their 35-year marriage on the defensive, barricading themselves behind a battalion of interlocked W's and E's, legitimizing their 15-acre (6-hectare) kingdom.

VARIOUS reasons have been given for the emptying of the Windsors' turn-of-the-century house, where they lived from 1953 onward (the duke died in 1972 and the duchess in 1986). Mohamed al Fayed, who owns Harrods in London and the Ritz Hotel in Paris, leased the house and bought its contents after the duchess's death and spent the next three years restoring it as a private museum. Then last year, he suddenly announced that he and his family needed more room — specifically that occupied by the Windsors' oddments.

After walking through the Sotheby's installation, it seems possible that al Fayed's decision to sell was more personal than spatial: Perhaps the psychic weight of the Windsors' possessions was too oppressive to bear.

Sotheby's show — an intersection of gossip, society, decoration and politics — takes the benighted Windsors from cradle to altar to grave. Transparent white panels printed with larger-than-life photographs of the duke and duchess and interior views of their three-story mansion serve as backdrops that give the essence of 10 of their rooms: the entrance hall; the salon; the dining room; his bedroom, bathroom and study; her bedroom and dressing area; and their private sitting room.

Chairs and tables, set on either side of the scrims, surrealistically fade in and out of view, as in holograms. Quotations from letters and poems are flashed onto the walls, providing a shorthand account of how Queen Victoria's tow-headed great-grandson grew up to inherit his family's throne, only to renounce it 11 months later to marry Wallis Warfield Simpson, a twice-divorced American.

There are treasures here, of course. When a couple's only hobby is spending money, they are bound to make a few good purchases. The most valuable Windsor relics were dispersed long ago, however. The duchess's vast jewelry collection was sold by Sotheby's in Geneva in 1987 for $50.3 million, and most of the 18th-century French antiques and porcelains were willed to Versailles and the Musee de Sevres. But hundreds of choice items remain.

Then there is the abdication desk, a plain-spoken Georgian antique from Fort Belvedere, the duke's bachelor retreat near Windsor Castle, that by all rights should end up in a museum in England, not a living room on Park Avenue.

But the intimate possessions are distinguished solely by their associations. The duke sat on this, the duchess sipped from that. Curiously, it is precisely because Sotheby's has taken such pains to detail every facet of the Windsors' lives that the implied importance has been beaten out of nearly every object. In the end, the Windsors were just Wally and David, a smug, rich suburban couple.

The Shaker Paradox and Luxury 'Camping'

By Katherine Knorr
International Herald Tribune

IT is one of those curious paradoxes of the design and fashion worlds that objects become fashion as they are turned away from their initial purpose — witness Christian Lacroix's use of crucifixes in his early days, or the enduring popularity of Shaker furniture and its various imitations, designs originally intended to be functional and simple, and that get sold in the plush surroundings of upscale furniture supermarkets, stripped of all the spiritual content.

"The Shaker World — Art, Life, Belief" by John T. Kirk (Harry N. Abrams, $60; distributed in Europe by Thames & Hudson, £38) is a beautifully illustrated coffee-table book that attempts to explain the curious world of the American Shaker communities through their objects, the chairs and the dressers, the naive artwork, and the famous oval boxes with their "swallowtails" with copper tacks. He also seeks to place the Shakers in the larger context of American and, indeed, international furniture design, and to show how they influenced painters and photographers.

As Kirk points out, Shaker design has been seen as a precursor to the Bauhaus, and Japanese or Danish 1950s design. This is a tricky comparison, not least because the Shakers were not for the most part "designers" or "theorists" of form and function. Still, Kirk believes, they were both more influenced by the design patterns of their time and more marketing-oriented that most people ordinarily think.

Much of the furniture — particularly what is known as Classic Shaker, representing the period between 1810 and 1860 — was indeed functional and austere. Still, it is interesting to note that much of it was painted in traditional bright neoclassical colors, often red, but also blue or green or yellow. A case with cupboard over drawers, described in the book as one of the earliest dated Shaker pieces (it is inscribed "January 29 1817"), was made of red-painted pine. Other examples are a tailor's counter, blue on the bottom, orange on top, with cherrywood knobs and a pine body (about 1815), and a yellow-painted chest of drawers (1830-40). Shaker clothes and other textiles, such as rugs, were also colorful; all of these things would have looked striking against the dramatic white-painted community houses, with their elegant wooden stairways and floor-to-ceiling cupboards.

It was only later that the Shakers started making stripped-down furniture or painting it white. Much of the painted furniture was also stripped down by postwar collectors, often barming the wood, until auctions in the late 1970s and early 1980s brought sudden interest in the painted furniture.

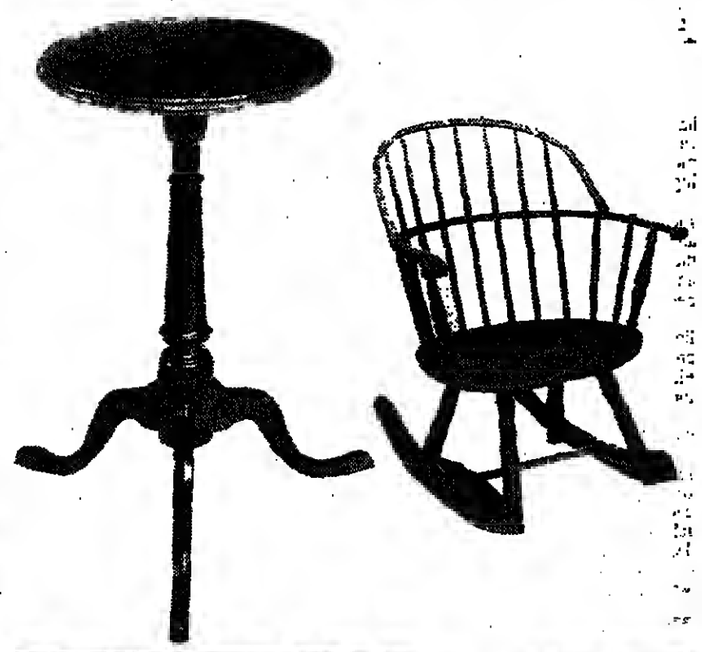
□

The Adirondacks in the 19th and early 20th centuries were famously the getaway for the rich, the sick and the artistic, and a recent revival of Adirondacks Great Camps (that is, luxury camping) has coincided with some measures of land protection by the state of New York, probably preventing the parceling of at least one of the great old estates nestled in this extraordinary wilderness, so quintessentially American and the source of the famous eponymous furniture.

"Early Days in the Adirondacks" (also Abrams, $39.95 and £25) is the first major grouping of the haunting photographs of Seneca Ray Stoddard, a multifaceted man — photographer, of course, but also painter, journalist, guidebook writer, novelist, spiritualist and hypochondriac — with a text by Jeanne Winston Adler. Here is all the beauty of the Adirondacks from the middle of the 19th century, and the contrasts between the camps for working men, the sanitariums where exercise was part of the treatment against tuberculosis, the Great Camps, where the rich roughed it in what has now become classic outdoors furniture, and the grand hotels with their massive verandas where the middle class increasingly came to vacation.

Seneca Ray Stoddard, born in 1843, started out as a sign and ornamental painter, and even when he began making money as a photographer saw himself as a landscape painter. As photography developed, it was both disdained and feared by painters. Interestingly, Stoddard, Jeanne Winston Adler points out, has been compared in his photography to the late Hudson River School painters, often known as luminists for their use of light in work generally contained between 1850 and 1875.

Although Stoddard was quite well-known in his time, and befriended and influenced a number of painters, the majority of his work stayed with private people or in archives until it was rediscovered in the late 1960s, and much of it is now in the Chapman Historical Museum and the Adirondack museum. A group of paintings, photographs and furniture from the Adirondack collection is at the Paine Webber Art Gallery in New York until April 3.



Furniture from "The Shaker World"; Adirondacks photo by Seneca Ray Stoddard, "Early Days in the Adirondacks"

Eighteenth-century table and chair as modified by Shakers; Echo Camp, built for Phineas Lounsbury, a governor of Connecticut.

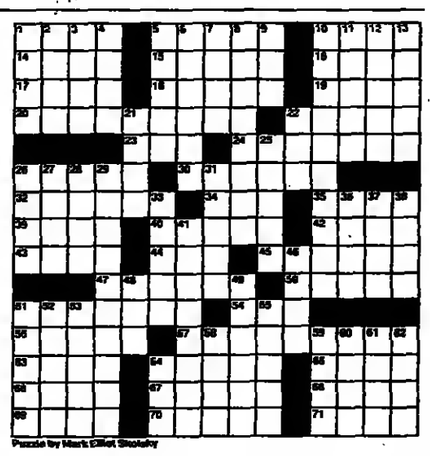
CROSSWORD

ACROSS

1 Site of St. Peter's
5 Leg muscles, for short
10 Swindle
14 "Jeopardy!" host Trebek
15 Reversed
16 California Gov. Wilson
17 Itsy-bitsy skirt
18 Precalculator calculators
19 Corride cheers
20 "Dallas" ranch
22 Fountain servings
23 Union letters
24 Airline seating class
26 Matzohs lack it
30 Early screen star Power
32 Axle foes
34 At any time, in poetry
35 Physics unite
36 Teen hangout
40 50's bandleader Perez ——
42 Cross inscription
43 East European
44 —— Lingus
46 Samples
47 Off the mark
50 A century after the Wright brothers' first flight
51 Like an old oak tree
54 G.I. entertainers
56 Cineme chain
57 Diving maneuver
63 First name in gymnastics
64 City south of Bartlesville
65 Point after deuce, maybe
68 —— dire (legal process)
67 Have —— of tea
68 Karate school
69 Start of North Caroline's motto
70 Catapult missile
71 Muhammad and others

DOWN

1 St. Louis 11
2 Hodgepodge
3 Carte
4 Kind of poll
5 Hearty draft
6 Open, as a barn door
7 Month after Shebat
8 Haggled
9 Star Wars, initially
10 "Hoobert Heaver," e.g.
11 Rostropovich's instrument
12 Mr. T's TV show, with "The"
13 Cluttered
21 Bigot's emotion
22 Swindle
25 French landscape painter
26 Thanksgiving bowtful
27 Mideast carrier
28 —— breve (2/2 time)
29 Theme of this puzzle
31 Pine
33 Alley scors
36 Part of ABM
37 Three of a Kind?
38 Asunción assent
41 Adapt anew
46 One way to run
48 19th-century literary Inits.
49 Arizona territorial capital
51 Fielder's aid
52 Legal pleas, informally
53 Umbrella
55 Play for the N.H.L.
58 Gravy Train competitor
59 Zippo
60 Pop star
61 South Seas getaway
62 Genesis son
64 Univ. instructors



Puzzle by Mark Elliot Stoteley

© New York Times/Edited by Will Shortz

Solution to Puzzle of Feb. 16

A	F	A	R		A	R	D	O	R		M	A	T	S
N	O	R	A		P	I	E	C	E		A	Q	U	I
G	R	O	V	E	R	C	L	E	V	E	L	A	N	D
L	A	S	E	R		E	V	A		L	I	B	E	L
E	Y	E		A	B	S	E	N	C	E		A	R	E
		A	S	A				O	N	E				
	J	A	M	E	S	B	U	C	H	A	N	A	N	
C	O	P	S		T	O	R	R	E		S	P	O	T
A	R	P		P	E	R	S	O	N	A		T	O	O
M	E	L	L	O		N	A	P		D	R	E	S	S
P	L	E	A	S	E				A	Z	O	R	E	S
		J	O	H	N	K	E	N	N	E	D	Y		
S	P	A	T		D	I	V	O	T		E	X	E	C
A	R	C	S		E	L	I	T	E		N	E	E	D
W	O	K	E		D	O	L	E	D		T	S	K	S

A Trial Run for the Euro Leaves a City Bewildered

Sarlat, France, Finds It Tough to Divide by 6.5

By Anne Swardson
Washington Post Service

SARLAT, France — Every morning, Brigitte Mertz comes to work at the bakery she runs on the main shopping street here and starts slapping on the price stickers. New prices go up for the apple tarts, the almond creams, the black-chocolate cake (a regional specialty), the flan.

On one side of the price sticker she writes the cost in French francs. On the other, she writes the price in euros, the planned European single currency that will be used by countries to be chosen this May.

Customers, Miss Mertz says, are flummoxed.

"If we were to vote on the euro now, three-quarters of the people would vote no," she said.

"They don't like having to calculate everything."

As the nations of Europe take the first concrete steps toward currency union this year, their airwaves and news columns are filled with speculation about what the new money may mean for the economy, for governments, for commerce.

Such weighty questions pale, however, in Sarlat, where a prototype of the euro was introduced in the autumn. The toughest issue for the town's 11,000 residents: how to divide by 6.5 in their heads?

Merchants here have been affixing prices in the two currencies since October, as have some city offices and the post office.

One price is in francs, the other is in European Currency Units, a European Union accounting unit that suffices for now as a euro substitute.

People do not use actual euros, which have yet to be printed, although prototype euro bills were put into circulation between Christmas and New Year's to give people a taste of the new money. While all accounting transactions in Europe will be converted to the new system in January, the real coins and bills will not be available until 2002.

"It will be very difficult to pass from the franc to the euro," said Christian Salive, who runs the local Citroen auto dealership and as the leader of a local business association is an initiator of the trial project. "There will be a loss of national identity. People must be taught."

At Miss Mertz's bakery, a small flan that sells for 8 francs ($1.31) is also priced at 1.23 euros. A mocha tart costs 9.90 francs, or 1.52 euros. A small chocolate cake sells for 49 francs, or 7.54 euros.

The way to get from francs to euros is to divide the franc price by 6.5 — not a simple calculation.

The aim of the double-pricing is to sensitize French consumers to the coming changes, to raise the profile of Sarlat, nestled in the Dordogne region of southwest France, and to pass on to the government in Paris some insights for the national transition.

Jane Swardson/The Washington Post

Cyril Auger, a Sarlat grocery clerk, checking over double-priced products.

For instance, a city report on the experiment recommends a very short double-currency transition period rather than the envisioned six months so that merchants do not have to use two cash registers.

And it says the idea of having national images on one side of the euro coins should be abandoned.

"You can't give a Frenchman change of coins with the head of King Albert on them," Deputy Mayor Xavier Louy said, referring to the Belgian monarch.

France is in the middle in terms of European popular opinion about the euro. A recent poll for Abbey National Bank of Britain found that 49 percent of French respondents thought the euro was a good thing, while only 29 percent of Germans approved. Italians were strongly in favor, with 61 percent approving, although 21 percent questioned had never heard of the currency. France, at 97 percent, had the highest awareness of the coming euro.

Awareness is one thing, dividing by 6.5 another.

"It scares me — I have to use my calculator," said Esther Muller as she sifted through a box of sale items on the sidewalk in front of a local clothing store. Her 2-year-old daughter, Sandrine, who if the euro experiment proves a success will never use francs, played nearby.

"All the prices finish in odd numbers," Mrs. Muller said. "We're too used to francs in this country. I'll have to use a calculator for years."

There are plenty available. Mr. Salive

See EURO, Page 12

EU Joins the Chorus: Don't Peg the Rupiah

Brussels Says Indonesia Should Drop Plan

By Barry James
International Herald Tribune

BRUSSELS — The European Union added its voice Monday to the opposition to Indonesia's plan to peg its currency to the dollar despite a lack of evidence in Jakarta of the economic reforms needed to underpin such a measure.

At the same time, the managing director of the International Monetary Fund, Michel Camdessus, confirmed to EU finance ministers that he had written to President Suharto of Indonesia warning that if it went ahead with the plan, it risked interruption of the $43 billion in bailout funds pledged by the IMF.

Gordon Brown, the British chancellor of the Exchequer, who chaired the EU meeting, said the finance ministers strongly backed Mr. Camdessus' view that the Indonesian plan was "premature." The French finance minister, Dominique Strauss-Kahn, said the fixed-currency proposal was "not the right solution" for Indonesia and that "the conditions are not there."

The plan is technically known as a currency board. It would require a dollar in government reserves for a given number of rupiah the Indonesian authorities issue. But this could involve using the IMF aid as collateral, easing pressure to reform the economy. The aid is intended to underpin structural reform rather than support short-term spending.

The U.S. government also has expressed concern about the Indonesian plan, and the Asian economic situation is sure to be discussed by finance ministers from the Group of Seven industrialized countries when they meet Saturday in London.

Mr. Brown said Indonesia had not met the preconditions necessary to peg the rupiah successfully to the dollar. These conditions, demanded by the IMF, include radical changes in the banking system, reduction of the nation's corporate debt and the dismantling of cartels that benefit the ruling elite.

The European Commission, the EU's executive arm, said in a report prepared for the ministers that the Asia crisis would shave at least 0.2 percentage point from the Union's projected economic growth this year, and possibly as much as 0.5 percentage point if the Japanese economy falters further.

But this would still leave EU economic growth at about 2.8 percent, the highest since 1994, and was not expected to disrupt plans to bring as many as 11 nations into a European currency union. The single currency, the euro, is to be introduced over a period of three years starting Jan. 1.

To become members of the currency zone, countries must demonstrate through four key indicators that their economies are converging. The 11 candidates for membership in the European monetary union — Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, Finland, the Netherlands, Portugal and Spain — should have no problems in meeting two of the criteria, dealing with long-term interest rates and low inflation.

With some difficulty, all are expected to meet the requirement that public deficits not exceed 3 percent of gross domestic product. But most countries will be unable to meet the demand that public debt not exceed 60 percent of GDP — Belgian and Italian debt is more than double that benchmark.

In deciding which countries qualify, the commission is likely to take into account evidence that countries are reducing their debt toward the 60 percent level within a reasonable period.

Separately, the ministers failed to resolve a dispute over who will head the European central bank when it opens for business June 1. The bank will set interest rates for the entire euro zone.

Wall Street's Newly Rich Drain Fine-Wine Cellars

By William Grimes
New York Times Service

NEW YORK — By 8 on Thursday night, Smith & Wollensky, the midtown Manhattan steakhouse, felt like the trading floor in midrally. The Wall Street guys were out in force, jackets off, cutting into man-sized portions of meat, joking loudly and popping the corks on some very serious bottles of wine.

A big wine splurge is taking place all over New York City, a leap in high-end consumption that began in early December and shows no signs of letting up, with the wine bill for a table of four sometimes running into the thousands of dollars. Restaurateurs and wine merchants largely credit the arrival of year-end bonus checks for stockbrokers, currency dealers, bond traders and others in the financial market.

"The last several years have been good to Wall Street, but 1997 was nothing short of spectacular. Bonuses, when the final tally is in, are expected to have risen an average of 20 percent to 30 percent from 1996, senior bankers and recruitment consultants say, adding up to a windfall of several billion dollars. Top executives will receive millions, with the lesser fry getting thousands.

"People are starting to get paid for the success of 1997," said a foreign-currency trader, flush with the joy that a three-liter bottle of 1989 Robert Mondavi Napa Valley Reserve Cabernet can deliver, at the modest price of $582. "In the last month or so, people have started to get their bonus checks, and they're splurging."

Andrea Immer, once a financial analyst with Morgan Stanley & Co., has heard the bonus gossip at Windows on the World and Rainbow Room, where she is the beverage director, and she has seen the results.

"You know your bonus on the 5th or 6th of December," she said. "That's when we saw the magnums and double

See WINE, Page 12

Japan Passes Bank-Aid Bill, But Scandals Cloud Prospects

By Sandra Sugawara
Washington Post Service

TOKYO — Parliament approved a 30 trillion yen ($238 billion) bank stabilization bill Monday, a key element of the government's effort to revive the teetering economy, but a widening banking scandal here has raised concerns that the plan could be derailed.

Two prominent financial institutions, Sumitomo Bank Ltd. and Bank of Tokyo-Mitsubishi Ltd., were named in a bribery scandal involving Finance Ministry inspectors. Other major banks, including Asahi Bank Ltd., Dai-Ichi Kangyo Bank Ltd. and Sanwa Bank Ltd., have been linked to the investigation, and Industrial Bank of Japan Ltd. has been linked to a different bribery scandal involving Japan Highway Public Corp.

In the face of growing public outrage over the scandals, some lawmakers have said that banks involved in the bribery scandal should not get any public funds. The six banks under investigation have said they have not decided whether they will ask to participate in the stabilization plan, which is designed to inject hundreds of billions of yen into the banking system to enable banks to quickly dispose of the $600 billion of bad loans that are crippling Japanese banks.

Thus the scandals could eliminate some of the country's largest banks from the stabilization effort, reducing the program's impact, analysts said. There are rumors that more banks will be named in the scandals, which involved lavish entertainment of bureaucrats, a common industry practice, according to some industry sources.

Hiroshi Kurosawa, chairman of Industrial Bank of Japan, told a legislative committee last week that his bank had entertained bureaucrats, not for improper advantages "but because we have been doing so for decades."

"It gets to the point where we're just sort of naming every bank," said James Fiorillo of ING Barings Securities (Japan) Ltd. "What is key now is how much will be uncovered with regard to past wrongdoing, and how this could affect the disbursement of public funds."

Analysts warned that if the plan were ineffectively implemented, stocks of financial institutions would come under new selling pressure and banks would have renewed difficulty raising funds in international money markets.

"We potentially see a return to the feverish environment of November, which drove three institutions to fail,"

See JAPAN, Page 15

Asian Troubles Cut Region's Air-Passenger Forecast

Compiled by Our Staff From Dispatches

TOKYO — Asia's economic crisis has forced airlines to slash regional forecasts for international travel in 2001 by more than 30 million passengers, a leading industry association said Monday.

The International Air Transport Association cut its forecast for average annual growth in air-passenger traffic in the Asia-Pacific region between 1997 and 2001 to 4.4 percent from the 7.7 percent it forecast last year.

That equates to an estimated 176 million passengers in 2001, down from previous estimates of 207 million, said Pierre Jeanniot, the association's director general.

Annual growth rates for cargo were cut to 6.5 percent from 9 percent.

Asia-Pacific traffic had also been forecast to increase to about 50 percent of world aviation in 2010 from 35 percent in 1995 but was now expected to fall to 33 percent in the same period, Mr. Jeanniot said.

The effect of the Asian economic crisis was expected to vary significantly from country to country, with South Korea, Taiwan and Malaysia expected to suffer most, while Japan and China were expected to suffer least, said Mr. Jeanniot.

He called on airlines to aggressively streamline operations, warning that "our experience has shown it is better to take a bigger bite than to be more timid about it."

Airlines should avoid entering price wars, reduce capacity where needed, improve coordination through such measures as code-sharing and take the opportunity to purchase new, more fuel-efficient aircraft, he added.

The association's chief said he was also urging Asian-Pacific governments to agree to a three-year moratorium on price increases for infrastructure, such as landing and traffic-control fees.

Mr. Jeanniot said he was telling regional governments "it is about time that you also do your share" so that the cost to the consumer "*is maintained low.*"

The 42 airlines surveyed over the past three months were expected to have $1.5 billion in profit erased by the Asian crisis in 1998, while the total cost for airlines operating in the region would be $2 billion, he said.

Mr. Jeanniot said air travel and tourism generated about 20,000 jobs a day in the Asia-Pacific region, but with the new expected growth rates that "will be something like reduced to half."

Airline companies could find many ways to cut costs without compromising service or safety, he said, but governments could also help by keeping a lid on infrastructure costs, fostering tourism and through other policy measures.

Mr. Jeanniot and other association officials were on a five-day visit to the region to assess the impact of the crisis on Asian airlines and to discuss possible measures for airlines. *(AFP, Reuters)*

■ **Thai Airways Posts Loss**

Thai Airways International PLC said it had a 26.7 billion baht ($585 million) operating loss in its first quarter because of big foreign-exchange losses after the baht's sharp fall, Reuters reported from Bangkok.

Thai Airways said in a statement to the Stock Exchange of Thailand that it had the loss in the October-December quarter, compared with a profit of 1.5 billion baht a year earlier.

A Thai Airways official also said the carrier suffered a net foreign-exchange loss of 27.03 billion baht during the quarter.

Thai Airways' shares fell 2 baht to close at 51.50 in Bangkok.

CURRENCY & INTEREST RATES

Cross Rates

Feb. 16

	$	£	DM	FF	Lira	DFl	BF	SF	Yen	C$	Peseta
Amsterdam	2.051	3.359	1.1272	0.3363	0.1142*	—	5.4615*	1.402	1.6265*	1.4205	1.33*
Brussels	37.50	61.38	20.6205	6.1485	2.09*	18.31	—	25.75	0.2979	26.00	24.31*
Frankfurt	1.8204	2.9843	—	0.2983	0.1014*	0.8872	4.8456*	1.246	1.4425*	1.261	1.1802*
London (a)	1.6379	—	2.9796	0.8888	2.9381876	2.3574	61.5813	2.2062	204.4346	2.364	212.45
Milan	154.178	252.862	84.732	25.28	8.589*	78.173	4.1857	105.2425	122.287*	106.744	—
Montreal	1.7955	2.9438	98.65	29.428	—	87.6	4.09	1,229.00	14.254	1,242.50	11.654
New York (b)	—	—	—	—	Closed	—	—	—	—	—	—
Paris	6.0969	10.000	3.3518	—	0.3338*	2.9737	0.1624	4.7731	4.0242*	4.2225	3.9655*
Tokyo	151.45	248.39	83.23	28.43	8.701	81.34	3.9498	116.81	—	117.98	110.754
Toronto	1.4448	2.3698	0.7936	0.2334	0.0804*	0.7069	0.3854*	0.9896	1.1403*	—	0.9328*
Vienna	14.691	24.093	8.0733	2.376	0.8815*	7.1729	3.8903*	—	11.597*	8.4103	8.9475*
Zurich	1.7435	2.8593	0.9578	0.2819	0.0971*	0.8507	0.4615*	1.1907	—	1.4185	1.3515
ECU	1.2303	2.0181	0.6761	1.9896	0.6853	5.0000	27.4815	0.8404	144.2500	—	95.4000
SDR	1.3495	2.2134	0.7412	2.1812	0.7512	5.4815	30.1250	0.9211	158.1250	1.0476	—

Quotes in Amsterdam, London, Milan, Paris and Zurich, listings in other centers; New York and Toronto rates at 3 P.M.

*a—To buy one pound; b—To buy one dollar. *Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argent. peso	0.9999	Greek drac.	285.97	Mex. peso	8.44	S. Afr. rand	4.9335
Australian $	1.4874	Hong Kong $	7.7415*	N. Zealand $	1.7156	S. Kor. won	1626.0
Schilling sch.	12.834	Hung. forint	208.02	Norw. krone	7.5218	Swed. krona	8.0825
Brazil real	1.1263	Indian rupee	38.80	Phil. peso	40.20	Taiwan $	32.86
Chinese yuan	8.31	Indo. rupiah	8200.0	Polish zloty	3.54	Thai baht	45.65
Czech koruna	34.38	Irish £	0.7268	Port. escudo	185.22	Turkish lira	222745.
Danish krone	6.9485	Israeli shek.	3.6014	Russ ruble	6.047	UAE dirham	3.673
Egypt. pound	3.412	Kuw dinar	0.3053	Saudi riyal	3.7505	Venez. bolv.	515.75
Fin. markka	5.4922	Malay. ring.	3.9047	Sing. $	1.6645		

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.6342	1.6315	1.6293	Japanese yen	124.74	124.25	123.76
Canadian dollar	1.4366	1.4358	1.4351	Swiss franc	1.4618	1.4559	1.4512

Sources: ING Bank (Amsterdam); Cera Investment Bank (Brussels); Banca Commerciale Italiana (Milan); Banque de France (Paris); Bank of Tokyo-Mitsubishi (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR). Other data from the Associated Press, Bloomberg and Reuters.

Libid-Libor Rates

Feb. 16

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU
1-month	5½ - 5⅜	3⅛ - 3 1/16	1⅝ - 1½	7⅛ - 7 1/16	3 1/16 - 3 1/16	⅛ - 0 1/16	4⅛ - 4 1/16
3-month	5½ - 5⅜	3⅛ - 3 1/16	1⅝ - 1½	7 1/16 - 7 1/16	3 1/16 - 3 1/16	0 1/16 - 1/16	4⅛ - 4 1/16
6-month	5½ - 5⅜	3⅛ - 3 1/16	1 13/16 - 1 11/16	7⅛ - 7 1/16	3 1/16 - 3 1/16	0 1/16 - 1/16	4⅛ - 4 1/16
1-year	5½ - 5⅜	3 9/16 - 3 7/16	1 15/16 - 1 13/16	7⅛ - 7 1/16	3 1/16 - 3 1/16	0 1/16 - 1/16	4⅛ - 4 1/16

Sources: Reuters, Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

United States	Today	Prev
Discount rate	5.00	5.00
Prime rate	8½	8½
Federal funds	Clsd.	5½
90-day CDs (sec)	—	5.53
180-day CP (disc)	—	5.35
ML 30-day R-A	—	5.15

	Price Clsd.	Yield Clsd.	Prev
3-month T-bill	—	—	5.14
1-year T-bill	—	—	5.24
2-year T-note	—	—	5.34
5-year T-note	—	—	5.42
7-year T-note	—	—	5.52
10-year T-note	—	—	5.48
30-year T-bond	—	—	5.84

Japan	Close	Prev
Discount rate	0.50	0.50
Call money	0.46	0.40
1-month interbank	0.73	0.70
3-month interbank	1.10	1.10
6-month interbank	0.98	0.98
10-year Govt bond	1.96	1.97

Germany		
Lombard rate	4.50	4.50
Call money	3.40	3.40
1-month interbank	3.48	3.48
3-month interbank	3.53	3.53
6-month interbank	3.61	3.61
10-year Bund	4.97	4.98

Britain		
Bank base rate	7¼	7¼
Call money	7⅞	7½
1-month interbank	7⅞	7⅞
3-month interbank	7⅞	7⅞
6-month interbank	7⅞	7⅞
10-year Gilt	5.93	5.94

France		
Intervention rate	3.30	3.30
Call money	3⅛	3⅛
1-month interbank	3⅛	3⅛
3-month interbank	3⅛	3 1/32
6-month interbank	3⅛	3⅛
10-year OAT	5.00	5.02

Sources: Reuters, Bloomberg, Merrill Lynch, Bank of Tokyo-Mitsubishi, Commerzbank, Credit Lyonnais.

Gold

	A.M.	P.M.	Ch'ge
Zurich	N.A.	297.90	—1.40
London	297.90	298.20	—0.95
New York	Closed		

U.S. dollars per ounce. London official fixings; Zurich and New York opening and closing prices; New York Comex (April.)

Source: Reuters.

Thinking Ahead /Commentary

Crisis Could Create Tougher 'Tigers'

By Reginald Dale
International Herald Tribune

WASHINGTON — It seems like only yesterday that debate was raging over whether the economic model that hatched the "Asian miracle" could be exported to other developing countries. Now the more relevant questions are whether the American economic model is exportable to Asia — and, if it is, what that might mean for the West.

Like it or not, there is no way that East Asian countries can emerge successfully from their current economic and financial crisis without, in some important ways, becoming more like the United States.

Among other things, they will have to let market forces govern investment decisions, allow more competition, reduce the role of government, crack down on political and business "cronyism" and make financial systems more open and accountable.

Such changes are the price the worst-hit Asian nations will have to pay both for continuing support from the International Monetary Fund and to regain the confidence of world financial markets.

And Uncle Sam's patent economic medicine is not just being prescribed for the countries that have been forced to seek IMF aid — Indonesia, South Korea and Thailand. It is also highly recommended for others in Asia and elsewhere that wish to avoid a similar fate.

To many Asians, and to some Westerners, that hard truth smacks of American "neo-imperialism." But the critics' case is weakened by their failure to come up with any viable alternative.

In the global economy of the 1990s, the U.S. economic model has so far proved easily the most efficient. The American characteristics of individualism, inventiveness and initiative, combined with a strong distaste for central government, are proving ideally suited to today's leading high-technology industries.

That does not mean the current

Europe and America should be thinking about how they would measure up against a new, more dynamic Asia.

Western-dominated international system is incapable of improvement; nor does it mean that all the Asian countries are automatically going to adopt U.S. practices lock, stock and barrel.

The victims of the financial crisis have yet to feel the full shock of the mounting unemployment and social tensions that will soon hit them. Popular resentment of America could well grow stronger.

But now that the initial financial hysteria is over, there is also an increasing realization that a new and more dynamic Asia could emerge — after some birth pangs — if the Asian countries move in the direction in which Washington and the IMF are pointing.

That new Asia would not only be more open and more economically efficient but less corrupt and more democratic. It would make an even bigger contribution to world growth and prosperity. But it would also be in many ways a tougher competitor for the West.

Rather than sitting back and congratulating themselves on how little they have been affected by the Asia crisis, both Europe and America should be thinking about how they would measure up against that new, more dynamic Asia.

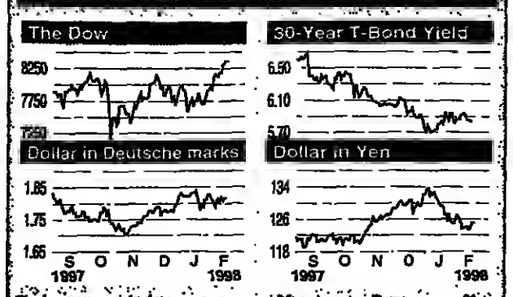
Europeans should be figuring that if Asia can scrap an old economic model to join the 21st century, they ought to hurry up and follow suit. If Asia moves towards a U.S.-style economy, Europe's already dated and creaking system will look even more obsolete.

And it is no time for American complacency, either. As a global competitor, America currently has a big lead over its rivals. But during the last few decades, Asians have shown how quickly they can catch up when they put their minds to it.

In the past, the Asians have proved formidable exporters, but in other respects, they have been handicapped by the inefficiencies and rigidities of economic systems based broadly on the government-guided Japanese model. Americans know how well their own model has served them. They should now be wondering what it would do for Asia.

THE AMERICAS

Investor's America



Exchange	Index	Monday @3.30PM	Prev. Close	% Change
U.S.	The Dow	Closed	8370.10	-
U.S.	S&P 500	Closed	1020.09	-
U.S.	S&P 100	Closed	488.74	-
U.S.	NYSE Composite	Closed	531.28	-
U.S.	Nasdaq Composite	Closed	1740.42	-
U.S.	AMEX Composite	Closed	586.88	-
Toronto	TSE Index	6983.10	6972.00	+0.16
São Paulo	Bovespa	10253.26	10391.38	-1.32
Mexico City	Bolsa	4596.86	4617.03	-0.59
Buenos Aires	Merval	669.27	674.46	-0.77
Santiago	IPSA General	4288.31	4288.74	+6.04
Caracas	Capital General	7154.78	7134.88	+0.28

Source: Bloomberg, Reuters — International Herald Tribune

Very briefly:

• **Brazil** will invest $3.5 billion in the tourism industry over the next two years in an effort to spur growth. Last year, 2.6 million foreign tourists spent $2.2 billion in Brazil.

• **Petro-Canada** and its partners in the Terra Nova oil project off Canada's east coast will unveil final terms of the proposed 1.6 billion Canadian dollar ($1.1 billion) development. Terra Nova is to begin production in 2001.

• **Laidlaw Environmental Services Inc.** said 31.5 million shares of **Safety-Kleen Corp.** were tendered under its $2.1 billion hostile takeover bid, pushing Laidlaw's stake to 54.2 percent of Safety-Kleen. Laidlaw needs two-thirds of Safety-Kleen's shares to complete its offer.

• **T. Eaton Co.**, the Canadian department-store retailer, agreed to sell its credit-card business to Norwest Corp. of the United States. Terms were not disclosed.

• **Browning-Ferris Industries Inc.** reached final agreement to sell its European and Asian units to the **Sita SA** unit of **Suez Lyonnaise des Eaux SA** for $1.4 billion in cash and stock to focus on North American operations. *Bloomberg, AFP*

Weekend Box Office

The Associated Press

LOS ANGELES — "Titanic" dominated the U.S. box office over the weekend, with a gross of $27.5 million.

Following are the Top 10 moneymakers, based on estimates for Friday through Sunday.

1. Titanic	(Twentieth Century-Fox)	$27.5 million
2. The Wedding Singer	(New Line Cinema)	$18.5 million
3. Sphere	(Warner Bros.)	$15.2 million
4. Good Will Hunting	(Miramax)	$8.2 million
5. As Good As It Gets	(TriStar)	$6.5 million
6. The Borrowers	(Polygram)	$4.8 million
7. Replacement Killers	(Columbia Pictures)	$4.3 million
8. Great Expectations	(Twentieth Century-Fox)	$3.4 million
9. Blues Brothers 2000	(Universal Pictures)	$3.2 million
10. Wag the Dog	(New Line Cinema)	$2.75 million

Dollar Rises On Doubts About Japan

Compiled by Our Staff From Dispatches

LONDON — The dollar strengthened against the yen Monday as currency traders registered doubts about a stimulus package for the Japanese economy, but the U.S. currency fell against the Deutsche mark on optimism about low inflation in Germany.

The dollar rose to 125.99 yen in London trading from 125.38 yen on Friday. It also rose to 1.4641 Swiss

FOREIGN EXCHANGE

francs from 1.4635 francs. But the dollar fell to 1.8219 Deutsche marks from 1.8231 DM on Friday and to 6.1065 French francs from 6.1103 francs. The pound was at $1.6379, up from $1.6360.

New York currency markets were closed Monday for a holiday.

A wide-ranging policy speech by Japan's prime minister, Ryutaro Hashimoto, gave currency traders pause with its vow to lift the economy from the doldrums.

"Investors are getting more nervous, and the market is becoming increasingly skeptical that the package is capable of doing enough" to bail out the Japanese economy, said Jeremy Hawkins, an economist at Bank of America.

Also on Monday, the president of the Bundesbank, Hans Tietmeyer, said inflation was under control in Germany and the economic slowdown in several Asian countries would help stifle price pressures in the next few months.

"Our policy of a steady hand has paid off," Mr. Tietmeyer said at the German central bank's regional branch in Berlin.

While there will be "some impact" on German economic growth from the turmoil in the Pacific Rim via slower exports and more intense competition on international markets, Mr. Tietmeyer said he did not expect a "fundamental change" in the growth process in Germany.

He said he hoped the slump in Asia would help offset the increase in value-added tax of one percentage point to 16 percent in April, which is expected to add to the inflation rate. *(AFP, Bloomberg)*

To Our Readers

All U.S. financial markets were closed Monday for Presidents' Day.

Diplomats Barred From Promoting Tobacco

By David E. Rosenbaum
New York Times Service

WASHINGTON — The State Department plans to send a directive to all U.S. diplomatic posts instructing officials not to promote U.S. tobacco products abroad. The policy is required by legislation that Congress approved last year.

Until now, American diplomats and trade officials had treated cigarettes and other tobacco products like any other legally traded goods. That meant that these officials worked to break down trade barriers imposed by other countries and encouraged exports of American tobacco.

From now on, according to the directive, tobacco will be treated as a danger to health. The U.S. government will continue to oppose trade policies abroad that favor local tobacco products over those made in the United States, but it will support efforts in other countries to restrain smoking.

The directive will be sent Tuesday to all U.S. embassies and commercial offices abroad. The White House gave a copy of it to The New York Times.

"Given that tobacco use will be the leading global cause of premature death and preventable illness early in the 21st century," the directive states, "the U.S. government will not promote the sale or export of tobacco or tobacco products or seek the reduction or removal by any foreign country of nondiscriminatory restrictions on the marketing of tobacco or tobacco products."

Diplomatic posts should not "challenge host country laws and regulations based on sound public health principles," the directive says, and should not help American companies and individuals market tobacco products overseas.

Lance Morgan, a spokesman for the tobacco companies, said he had not seen the directive and could not comment on it.

The administrations of former Presidents Ronald Reagan and George Bush worked closely with tobacco companies to introduce American cigarettes into other markets and to fight anti-smoking measures abroad.

President Bill Clinton's administration promised a new approach but has not always followed it. In 1992, for instance, the government and the tobacco companies worked together against an effort by Thailand to require tobacco companies to disclose the ingredients in each brand of cigarettes.

In 1994, according to a report in The Washington Post, Alfred Moses, the ambassador to Romania, attended the opening of an R.J. Reynolds plant in Bucharest and declared, "I'm sure that Camel and the other splendid products of the R.J. Reynolds Co. will prosper in Romania."

Seita and Tabacalera Map Out a Global Drive

Compiled by Our Staff From Dispatches

PARIS — Seita SA of France and Tabacalera SA of Spain have agreed to jointly market cigarette brands overseas and seek acquisitions to offset declining consumption at home.

The French maker of Gauloises and Gitanes cigarettes and the Spanish maker of Montecristos are forming Global Tobacco, a partnership with global expansion through acquisitions, or marketing brands, as its main goal.

Under a five-year renewable deal, the companies are setting up a 50-50 joint venture with headquarters in France. The first president will be named by Tabacalera.

Both companies agreed in October to join to fight tougher competition from rivals such as Philip Morris Co. Tabacalera's near-monopoly on the Spanish market comes to an end this year when Spain sells its 52 percent stake.

"It's clear that Seita is strong in France, but in a declining market," said Annie Bonal, an analyst at Credit Lyonnais Securities in Paris. "They need to develop internationally."

Seita had sales of 17.40 billion French francs ($2.84 billion) in 1996, while Tabacalera had sales of 13.97 billion francs in the same period.

Seita's shares fell 4.80 francs, or 1.9 percent, to close at 245 in Paris. Tabacalera shares were unchanged in Madrid at 13,450 pesetas ($86.94).

Patrick Benoist will be the first chairman of Global Tobacco, which will be based in Paris, under a one-year rotating chairmanship. He was Tabacalera's international director.

Analysts have ruled out a possible merger of the two companies, given their decision to form Global Tobacco. They have cited Eastern European countries such as Bulgaria and Romania as places where acquisitions or alliances could be made.

Seita said the alliance could see forming start-up companies to produce, sell or distribute products but that decisions would be made on a country-by-country basis.

Seita could benefit from Tabacalera's presence in North America, analysts said. Seita could sell its "cigarillos" in North America, where it has no presence and where cigar consumption is booming, according to the analysts. Tabacalera, the biggest cigar maker in the world, last week bought a major U.S. cigar distributor, Max Rohr Importers Inc., for $53 million.

The French government sold shares in Seita in 1995 as part of a program of sales of state assets.

Tabacalera controls more than 60 percent of the Spanish tobacco market with its own brands. Distribution agreements with foreign tobacco makers give the company more than 90 percent of the market. *(Bloomberg, Reuters)*

EURO: *French City's Test Run Has Folks Scratching Their Heads Over the Math*

Continued from Page 11

said he and the mayor's office had been bombarded almost daily with deliveries of little calculators and cardboard math wheels that convert francs to euros and vice versa.

Many people interviewed here said they remembered the switch from "old" French francs to new ones in 1960. Then, converting was a relatively simple matter of multiplying by 100 because one new franc equaled 100 old francs.

The euro "will be even more complicated," said Ida Delbary, a white-haired woman chatting with a friend in front of the post office.

"At least the new and old ones were all francs," she said. "The euro is like a foreign money. In francs, I can see what something is worth. The figures in euros don't mean anything."

Some merchants are less than enthusiastic, and many stores have only a few items marked with both prices.

At a lingerie boutique, for instance, a Christian Dior brassiere sells for 450 francs, or 69 euros, but most other unmentionables are priced only in francs.

But at the Casino grocery across the street from Miss Mertz's bakery, more than 250 items are double-priced.

Some stay on the shelves more than a day and do not need to be changed often. But Cyril Auger writes up the double prices for about 70 fresh fruits and vegetables daily. It takes about 20 minutes.

"We're going to have the euro," the clerk said. "We've got to get used to it."

So, can he do the conversions in his head?

"No," Mr. Auger said, "6.5, that doesn't mean anything."

Mexico Economy Hit 16-Year High in '97

Reuters

MEXICO CITY — Mexico's economy grew 7 percent last year, the government said Monday, its strongest performance in 16 years as the country put the peso crisis further behind it.

Gross domestic product rose 6.7 percent in the fourth quarter, down from 7.6 percent in the last quarter of 1996, but growth for the full year accelerated from 5.1 percent in 1996, the Finance Ministry said. GDP is the broadest measure of the nation's economy. Of the sectors making up GDP, industry was "the most dynamic" with production up 9.3 percent in 1997.

WINE: *Wall Street Spends Its Bonus Bundles on the Priciest Wines*

Continued from Page 11

magnums and imperials going out to the main dining room, as opposed to private party rooms. That was directly bonus-related."

A chunk of the bonus money is finding its way into what Avra Jain, a partner in the Manhattan restaurant City Wine and Cigar, calls "lifestyle investment."

Thomas Matthews, a senior editor at the magazine Wine Spectator, said: "I think wine has taken over from the toys of the old days, like watches and cars. Wine shows you have money, but it also shows you have taste."

The city's restaurants and wine stores have been feeling the effects. Since early December, they have experienced a run on their top Bordeaux, red Burgundies and A-list California cabernets.

"We are having a hard time keeping in stock the big banker wines, the ones you order if you're out to impress," Ms. Immer said. "There is huge demand for big California cabernets like Opus One and any of the first-growth Bordeaux, and it seems not to matter what the vintage is. Price seems not to matter either."

Julian Niccolini, an owner of the Four Seasons, said, "Since the beginning of December, people have been drinking only really great wines, $150 and up."

Ms. Immer has seen brisk activity in wines priced at $250 to $300.

When he opened Patroon, Ken Aretsky invested in older Burgundies and Bordeaux to dress up the restaurant's wine list and serve as conversation pieces.

"I thought we'd never sell any of it," Mr. Aretsky said. Who, after all, would order a $10,000 bottle of 1900 Chateau Margaux? The last bottles from about three cases disappeared at Christmas.

Joseph DeLissio, wine director of River Cafe in Brooklyn, said the restaurant had sold more bottles of expensive wine in the past year than at any time in its 20-year history and that the surge had carried over into the traditionally slow months of January and February. Expensive, for Mr. DeLissio, starts at $400.

"We've had customers come in and spend $3,000 to $4,000 on wine," he said. "They'll start with a Champagne, move to a great white Burgundy, then to a top Bordeaux and finish up with a Sauternes, Chateau d'Yquem."

But the rising demand for big-ticket wines is traumatizing sommeliers and wine directors, who are scrambling to replace depleted vintages.

'I don't think Champagne is manly enough for these guys. They want the big stuff.'

"Latour, Margaux, all my older ones are being depleted," moaned Jean-Luc Le Du, sommelier at Restaurant Daniel. Like colleagues all over town, he must replace his wines by buying at auction or seeking out secondary suppliers, at a much higher price. A 1983 Chateau Margaux that sold for $180 last year, for example, now carries a price tag of $645. But that doesn't seem to scare off the customers.

"I have sold some," Mr. Le Du said.

The rush for the top end of the market has delighted wine merchants.

"This Christmas was record-setting for us," said Michael Aaron, chairman of Sherry-Lehmann, a Manhattan wine store. "Very, very expensive wines were flying out the door, and the trend is continuing into January and February."

Mr. Aaron recently offered several cases of 1989 Chateau Petrus at $15,000 a case. They sold out in four weeks.

"Even with Bordeaux prices up, we sold 65 percent more classified growths than we did in 1991, and it would be more if we could get enough," Mr. Aaron said. "This is my 40th year, and I've never seen anything like it."

In fact, Mr. Aaron said he was having trouble moving his more modestly priced wines. Classified growths come from the top chateaux, as determined by a French system created in 1855.

Wall Street gravitates toward what Chris Shipley, the wine director at the "21" Club, calls "trophy wines." His male taste puts emphasis on big red wines from big-name producers who command big prices.

Mr. Shipley watched a small private party last week consume five bottles of 1982 Cheval Blanc at $1,975 a pop. It was a Wall Street evening.

Bordeaux rules. Wall Street's appetite for such first growths as Mouton-Rothschild, Lafite-Rothschild and Haut-Brion and star-quality second growths like Pichon-Lalande and Leoville-Las-Cases simply cannot be satisfied. After Bordeaux, Mr. DeLissio of River Cafe said, Wall Street likes (in descending order) red Burgundies, white Burgundies and California cabernets, with port and Spanish wines trailing the field.

Champagne, the traditional wine for celebrations, is fairly low on the Wall Street scale.

"I don't think Champagne is manly enough for these guys," said Alexis Ganter, wine director at City Wine and Cigar. "They want the big stuff."

Demand for the big stuff has also placed a premium on glamour California cabernets like Opus One, Dominus, Caymus Special Selection and Ridge Monte Bello, to name a few.

Smith & Wollensky sold 1,100 bottles of Opus One in December alone, nearly $200,000 worth of wine.

Taste preferences may have something to do with this, or then again, Opus One may simply be this year's drinkable Ferrari.

INTERNATIONAL FUTURES

Feb. 16, 1998

Metals

	High	Low	Close Latest	Chge	Previous Opint
LONDON METALS (LME)					
Dollars per metric ton					
Aluminium (High Grade)					
Spot	1477½	1478½	1493.00	1494.00	
Forward	1493.00	1494.00	1510.00	1510.00	
Copper Cathodes (High Grade)					
Spot	1663.00	1664.00	1673½	1674½	
Forward	1690.00	1691.00	1699.00	1700.00	
Lead					
Spot	503½	504½	510½	511½	
Forward	519½	520½	526.00	527.00	
Nickel					
Spot	5425.00	5430.00	5615.00	5625	
Forward	5515.00	5520.00	5700.00	5710	
Tin					
Spot	5150.00	5160.00	5155.00	5165.00	
Forward	5180.00	5185.00	5195.00	5200.00	
Zinc (Special High Grade)					
Spot	1038.00	1039.00	1057½	1058½	
Forward	1058.00	1059.00	1082.00	1083.00	

Financial

	High	Low	Close Latest	Chge	Opint
LONG GILT (LIFFE)					
£50,000 - pts & 32nds of 100 pct					
Mar 98	124-09	123-31	124-03	−0-05	177,662
Jun 98	108-12	107-30	108-04	+0-02	13,999
Est. sales: 39,913. Prev. sales: 47,268					
Prev. open int.: 191,661 up 742					
GERMAN GOV. BUND (LIFFE)					
DM250,000 - pts of 100 pct					
Mar 98	107.49	107.20	107.28	+0.11	276,689
Jun 98	106.89	106.53	106.81	+0.12	14,803
Est. sales: 55,363. Prev. sales: 134,936					
Prev. open int.: 291,492 up 2,305					
10-YEAR FRENCH GOV. BONDS (MATIF)					
FF500,000 - pts of 100 pct					
Mar 98	103.84	103.66	103.76	+ 0.02	122,672
Jun 98	103.26	103.06	103.18	+ 0.04	13,180
Sep 98	102.82	102.82	102.94	+ 0.04	0
Est. sales: 39,420.					
Open int.: 135,252 up 2,549.					
ITALIAN GOVERNMENT BOND (LIFFE)					
ITL 200 million - pts of 100 pct					
Mar 98	118.40	118.17	118.25	−0.01	123,128
Jun 98	117.90	117.75	117.77	Unch.	30,834
Est. sales: 31,084. Prev. sales: 58,631					
Prev. open int.: 153,962 up 5,816					
3-MONTH STERLING (LIFFE)					
£500,000 - pts of 100 pct					
Mar 98	92.53	92.51	92.51	−0.01	136,573
Jun 98	92.62	92.60	92.61	−0.01	135,394
Sep 98	92.81	92.79	92.80	−0.01	99,066
Dec 98	93.04	93.02	93.03	−0.01	92,102
Mar 99	93.26	93.25	93.25	−0.01	66,907
Jun 99	93.43	93.40	93.41	−0.01	72,906
Sep 99	93.56	93.54	93.55	−0.01	56,964
Dec 99	93.65	93.64	93.64	−0.01	47,911
Mar 00	93.70	93.69	93.69	−0.01	38,472
Est. sales: 32,413. Prev. sales: 73,672					
Prev. open int.: 800,036 off 8,987					
3-MONTH EUROMARK (LIFFE)					
DM1 million - pts of 100 pct					
Feb 98	N.T.	N.T.	N.T.	Unch.	8,350
Mar 98	N.T.	N.T.	N.T.	Unch.	368,223
Apr 98	N.T.	N.T.	N.T.	Unch.	1,161
Jun 98	96.335	96.310	96.330	+0.020	373,365
Sep 98	96.215	96.200	96.210	+0.010	302,976
Dec 98	96.035	96.010	96.030	+0.010	328,417
Mar 99	95.930	95.910	95.920	+0.020	289,617
Jun 99	95.800	95.780	95.790	+0.020	127,149
Sep 99	95.680	95.660	95.670	+0.020	110,723
Dec 99	95.550	95.530	95.550	+0.020	76,976
Est. sales: 85,400. Prev. sales: 199,098					
Prev. open int.: 2,123,875 up 22,846					
3-MONTH PIBOR (MATIF)					
FF5 million - pts of 100 pct					
Feb 98	0.00	0.00	96.44	+ 0.01	400
Mar 98	96.43	96.42	96.42	Unch.	69,732
Apr 98	0.00	0.00	96.39	Unch.	30
Jun 98	96.33	96.31	96.32	+ 0.01	59,237
Sep 98	96.2	96.19	96.19	+ 0.01	29,233
Est. sales: 18,302.					
Open int.: 269,432 up 3,995.					
3-MONTH EURO LIRA (LIFFE)					
ITL 1 million - pts of 100 pct					
Mar 98	94.14	94.09	94.12	+0.02	135,806
Jun 98	95.11	95.04	95.08	+0.04	201,438
Sep 98	95.57	95.53	95.55	+0.04	132,122
Dec 98	95.77	95.74	95.75	+0.02	134,297
Mar 99	95.76	95.73	95.74	+0.01	137,525
Jun 99	95.65	95.62	95.62	Unch.	38,605
Est. sales: 57,213. Prev. sales: 108,573					
Prev. open int.: 810,949 up 11,721					

Industrials

	High	Low	Close Latest	Chge	Opint
GASOIL (IPE)					
U.S. dollars per metric ton - lots of 100 tons					
Mar 98	139.25	136.75	134.75	— 0.50	29,802
Apr 98	141.00	139.00	139.00	— 0.25	12,397
May 98	142.00	141.50	141.50	— 0.50	9,183
Jun 98	145.00	144.00	144.00	— 0.50	13,260
Jul 98	146.75	146.25	146.00	— 0.75	4,478
Aug 98	149.00	148.50	148.00	— 0.75	4,832
Est. sales: 11,000. Prev. sales : 11,553					
Prev. open int.: 106,677					
BRENT OIL (IPE)					
U.S. dollars per barrel - lots of 1,000 barrels.					
Apr 98	14.86	14.45	14.48	— 0.37	96,835
May 98	15.15	14.82	14.85	— 0.28	22,698
Jun 98	15.45	15.17	15.17	— 0.23	26,099
Jul 98	15.67	15.56	15.43	— 0.26	13,844
Aug 98	15.89	15.84	15.66	— 0.23	7,277
Est. sales: 18,000. Prev. sales : 34,773					
Prev. open int.: 216,154					

Stock Indexes

	High	Low	Close Latest	Chge	Opint
FTSE 100 (LIFFE)					
£25 per index point					
Mar 98	5633.0	5565.0	5630.0	+56.0	62,310
Est. sales: 4,603. Prev. sales: 7,079					
Prev. open int.: 62,318 up 491					
CAC 40 (MATIF)					
FF200 per index point					
Feb 98	3228.0	3186.0	3227.0	+31.0	40,125
Mar 98	3245.5	3197.0	3245.5	+31.0	25,018
Apr 98	3202.5	3202.5	3249.5	+31.0	400
Jun 98	N.T.	N.T.	3210.0	+31.0	2,055
Est. sales: 6,721.					
Open int.: 67,693 up 1,080.					

Commodity Indexes

	Close	Previous
Moody's	Clsd.	1,451.20
Reuters	1,729.50	1,732.30
D.J. Futures	Clsd.	145.48
CRB	Clsd.	231.61

Sources: Matif, Associated Press, London Int'l Financial Futures Exchange Int'l Petroleum Exchange.

EUROPE

Chunnel Trimmed Loss in '97

Compiled by Our Staff From Dispatches

PARIS — Eurotunnel, the debt-laden operator of the Channel Tunnel, posted a narrower loss for 1997 Monday, citing an increase in passengers traveling by train and car.

Eurotunnel had a loss of £611 million ($998.3 million) last year, compared with a loss of £685 million in 1996. The results were in line with analysts' expectations.

The loss would have been only about half that amount if the company's current debt-restructuring plan had been implemented in 1997, the company said at a news conference.

Patrick Ponsolle, the Eurotunnel chairman, said the company expected to be able to meet the operating-profit objective set out in the company's business plan last spring. But he called it a "demanding objective."

"We are reasonably confident of our capacity to achieve this objective," he said, promising to avoid characteristics attributed to Eurotunnel in the past such as "wishful thinking" or "arrogance."

Mr. Ponsolle also said continuing a price war with ferry companies on the English Channel route would be "suicidal" and said he favored introducing gradual price increases ahead of a possible European Union decision to scrap the sale of duty-free goods as of June 1999.

Eurotunnel said it had regained market share in 1997 despite operating below capacity after a fire in late 1996 hurt its freight business.

In 1997, passengers using the Eurostar train service rose to 6 million from 4.9 million in 1996. Tourist vehicles carried rose to 2.3 million from 2.1 million.

Eurotunnel units, consisting of one share in Eurotunnel SA and one in its British sister company, Eurotunnel PLC, closed Monday at 6.55 francs ($1.07) in Paris, down 0.05. In London, the shares ended at 65 pence ($1.06), up 2.

(AP, AFP, AFX, Reuters)

As Confidence Grows, Russia Cuts Rates

Compiled by Our Staff From Dispatches

MOSCOW — The Bank of Russia said Monday it would cut key interest rates to 39 percent from 42 percent amid growing investor confidence that the government is repairing its finances and keeping the ruble strong.

The central bank said it would cut its Lombard and refinancing rates to 39 percent starting Tuesday. The refinancing rate is the rate that banks charge when lending among themselves, while the Lombard rate determines how much the central bank charges commercial banks for loans backed by securities.

The rate cut is the first since Oct. 6 and follows three rate increases in as many months.

The cut was "tied to positive changes in the Russian financial markets," said Leonid Nitko, a spokesman for the Bank of Russia.

The move came a day before President Boris Yeltsin's scheduled "state of the nation" address. Mr. Yeltsin is considered unlikely to announce radical economic measures in his annual address to Parliament, but analysts say he is expected to stress a commitment to reform and budget discipline.

The International Monetary Fund will pay close attention to the speech, which coincides with a visit to Moscow by the IMF's managing director, Michel Camdessus.

An IMF team in Moscow this week is expected to recommend releasing the next installment in a three-year, $9.3 billion loan.

"My expectation is that the market will interpret this as a bullish signal," said Robert Devane, head of the fixed-income division at the Moscow brokerage Troika Dialog, referring to the rate cut.

"The market has been rallying for about two weeks," he said. "There is now talk the IMF will disburse the next tranche to Russia, plus the central bank seems to be doing good job in the last few weeks." The bank's last rate change came Jan. 30, when it raised the Lombard rate to 42 percent from 36 percent and the refinancing rate to 42 percent from 28 percent.

Separately, officials said Russia's inflation this year may reach 10 percent, well above an earlier forecast of 5.7 percent, which could make it difficult for the government to meet its financial targets.

Vladimir Petrov, Russia's first deputy finance minister, said the government might have to include the more realistic inflation forecast in this year's budget, the Interfax news agency reported.

Last year's inflation rate was 11 percent, by far the lowest since free-market reforms began here in 1992. The government, hoping for a further cut this year, had predicated a rate of 5.7 percent. But that figure is now looking too optimistic, Mr. Petrov said.

He also said it would be difficult for the government to raise the additional 27 billion rubles ($4.5 billion) in revenue that had been added to its original budget plan.

(Bloomberg, Reuters, AP)

The IMF will pay close attention to President Yeltsin's 'state of the nation' speech Tuesday.

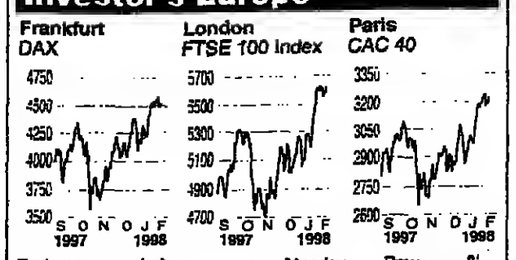
■ IMF Praises Hungary

The IMF said it had ended a standby loan agreement with Hungary because the country's economy was strong enough to stand on its own, Reuters reported from Budapest.

The Fund praised the revitalized economy, saying it may grow by 5 percent this year. But it warned that inflation, running at about 18 percent a year, was still too high and was holding back investment and the development of a mortgage market.

The IMF's resident representative in Hungary, Mark Allen, welcomed the country back to the ranks of those that can manage their economic and financial affairs without "exceptional external assistance."

Investor's Europe



Exchange	Index	Monday Close	Prev. Close	% Change
Amsterdam	AEX	985.84	974.62	+1.15
Brussels	BEL-20	2,654.51	2,652.84	+0.06
Frankfurt	DAX	4,520.64	4,502.48	+0.40
Copenhagen	Stock Market	N.Q.	692.86	-
Helsinki	HEX General	3,873.02	3,861.56	+0.30
Oslo	OBX	667.45	661.07	+0.97
London	FTSE 100	5,619.90	5,582.30	+0.67
Madrid	Stock Exchange	713.77	710.04	+0.53
Milan	MIBTEL	19656	19577	+0.40
Paris	CAC 40	3,225.12	3,187.73	+1.17
Stockholm	SX 16	3,528.62	3,506.81	+0.62
Vienna	ATX	1,340.83	1,336.94	+0.29
Zurich	SPI	4,284.53	4,280.20	+0.10

Source: Telekurs International Herald Tribune

Asia Crisis Clips Profit at Norsk Hydro

Compiled by Our Staff From Dispatches

OSLO — Norsk Hydro A/S said Monday its fourth-quarter net profit fell 57 percent as the Asian economic crisis and a loss in its fertilizer division undermined record earnings from oil and gas.

The 51 percent state-owned company said net income for the fourth quarter fell to 865 million kroner ($114.9 million) from 2.01 billion kroner in 1996. The year-earlier figure included a one-time gain of 776 million kroner.

Fourth-quarter sales rose 14.4 percent, to 24.85 billion kroner.

For the year, Norsk Hydro's net income was 5.21 billion kroner, down 16 percent, despite a 13 percent increase in sales, to 96.17 billion kroner. Shares in Norsk Hydro, Norway's biggest publicly traded company, fell 10 kroner to 325 on the results, which were weaker than analysts had forecast.

"The setbacks we experienced toward the end of 1997 came faster and had a greater impact on our annual results than we had anticipated," said Egil Myklebust, president and chief executive officer.

"The performance in our fertilizer operations was not satisfactory. Aside from agriculture, however, our results last year were good.

"The growth corrections in Asia will continue to influence market conditions in 1998, just as the push to establish an economic and monetary union in the European Union has done." Mr. Myklebust said.

"We must therefore prepare ourselves for greater instability in product and financial markets than was the case throughout most of the 1990s."

Operating income from agriculture, by far the biggest division in terms of sales, fell to 1.37 billion kroner from 2.67 billion kroner.

In the fourth quarter, the turmoil in Asia and a ban on urea imports to China, a major market, left it with a loss of 194 million kroner, reversing a profit of 386 million kroner a year earlier.

Operating income from oil and gas surged to a record 6.74 billion kroner for the year from 5.63 billion kroner in 1996. *(AFP, Reuters)*

Bonn Will Provide Cheap Loans for Construction Industry

Reuters

BONN — Germany announced Monday an aid package for the construction industry designed to raise 22 billion Deutsche marks ($12.08 billion) in investment and prevent layoffs in the industry ahead of elections this year.

Construction Minister Eduard Oswald said inexpensive loans from the Kreditanstalt fuer Wiederaufbau, a state financing agency, would help lift the construction sector out of a three-year recession.

"With these measures we will be able to secure around 100,000 construction jobs this year," Mr. Oswald said.

But the road to recovery would be long, he said, because construction activity had been falling since 1995.

Of the investments that Bonn is seeking to accelerate, about 9 billion DM would be financed directly by the agency, it said. The plan includes 3 billion DM in cheap loans to upgrade housing in Eastern Germany.

U.K. Brewer Set To Buy 311 Pubs

Reuters

LONDON — Scottish & Newcastle PLC, Britain's largest brewer, said Monday that it had agreed to buy 311 pubs from Nomura International's Grand Pub Co. for £206 million ($337 million).

S&N said the move was a major step toward its strategic objective of "a predominantly branded managed pub estate." The company said it believed the deal would be neutral for earnings in the first full year and enhance earnings after that.

It said the pubs to be acquired had been selected from the Grand Pub estate of some 4,300 tenanted pubs because of their suitability for conversion to Scottish & Newcastle brands such as Chef & Brewer, Rat & Parrot and John Barras.

At least 60 of the outlets will be converted within a year of acquisition, and S&N now plans to have some 2,350 managed pubs by April 2001 of which two-thirds will be branded, the company said in a statement.

Very briefly:

- Deutz AG, a German engines and plant-equipment maker, had a profit in 1997 after being saved from collapse by a bank bailout the previous year. The company posted preliminary net profit of 2.5 million Deutsche marks ($1.4 million), after a loss of 87.9 million DM in 1996.
- Suez Lyonnaise des Eaux SA expects to post a 1997 profit in excess of 3.5 billion French francs ($572.1 million) in its first annual earnings announcement since the utility was created through a merger.
- France Telecom SA's 1997 sales rose 3.6 percent, to 156.73 billion francs, because of a strong performance in mobile telecommunications and despite price cuts.
- Virgin Group Ltd., which operates two British rail lines, confirmed that it planned to purchase a fleet of "tilting" high-speed trains in a deal valued at £1 billion ($1.64 billion) from a consortium of GEC Alsthom and Fiat SpA.
- PacifiCorp of the United States, which has agreed to buy Energy Group PLC of Britain for £4.06 billion, said a possible rival bid from Texas Utilities Co. would have to exceed £4.34 billion.
- Total SA will raise its oil and natural-gas output 7 percent this year as it presses ahead with projects in Libya and Iran, where U.S. oil companies are forbidden from working.
- Union Bank of Switzerland said only half of the analysts, traders and salesmen in its London equities unit would have jobs in the investment bank created by its merger with Swiss Bank Corp.
- Greece will sell a 20 percent stake in its duty-free monopoly, Hellenic Duty Free Shops SA, to try to raise 24.4 billion drachmas ($85.3 million) for the company.
- Philips Electronics NV, the world's third-largest maker of consumer electronic goods, plans to change its name to Royal Philips Electronics NV.

Reuters, Bloomberg, AFP

WORLD STOCK MARKETS

Monday, Feb. 16

Prices in local currencies.
Telekurs

Amsterdam

AEX index: 985.84
Previous: 974.42

	High	Low	Close	Prev.
ABN-AMRO	42.50	41.80	42.30	42.20
Aegon	205.30	200.80	204.90	200.70
Ahold	57.10	56	56.80	56.10
Akzo Nobel	378.20	376.30	376.30	376.80
Baan Co.	97	88.90	91	90
Bols Wess cva	34.30	33.60	33.80	33.50
CSM cva	105.90	104.70	105.90	105.60
Dordtsche Pet	103.60	101.20	103.60	101.10
DSM	193.50	190.50	192.80	191.30
Elsevier	37.20	36.50	37.20	36.50
Fortis Amev	105.60	103.40	105	104.50
Getronics	76.50	74.10	76.40	74
G-Brnc cva	54.60	53.30	53.30	53.30
Hagemeyer	90.90	88.50	89.70	89.60
Heineken	365	362	362	362.10
Hoogovens cva	92.50	90.10	97.60	90.70
Hunt Douglas	81.70	80.20	81.30	80.60
ING Group	100.30	98.20	100	98.30
KLM	70.20	68.80	69.60	69.30
KNP BT	54.10	52.70	53.60	53.70
KPN	90.80	88.80	90.80	89.10
Nedlloyd Gp	42.50	41.90	42	41.80
Nutricia	65.70	66	65.30	65.40
Oce	252.40	245.50	252.70	246
Philips Elec	148.50	146.50	147.60	148
Polygram	104	100.50	102.40	101
Randstad Hdg	76.50	74.20	76.10	74.60
Robeco	204.90	203.40	204.20	204.20
Rodamco	56.20	55.80	56.20	56.30
Rolinco	190.50	189.50	190.10	189.90
Rorento	125	124.60	124.60	124.60
Royal Dutch	107.40	105	106.80	104.70
Unilever cva	122.90	119.50	122	119.60
Vendex Intl	127	126.10	126.90	127
VNU	55	54.60	54.70	54.70
Wolters Kl cva	300.50	295.20	298.50	295

Bangkok

SET index: 484.86
Previous: 499.97

	High	Low	Close	Prev.
Adv Info Svc	310	292	300	313
Bangkok Bk F	135	131	132	127
Krung Thai Bk	15	13.50	13.50	15.50
PTT Explor	552	534	534	556
Siam Cement F	542	520	542	532
Siam Com Bk F	97	88.50	88.50	90
Telecomasia	21.25	19.75	19.75	22
Thai Airways	54	51	51.50	53.50
Thai Farm Bk F	121	118	120	121
Utd Comm	41.25	40.50	41.25	41

Bombay

Sensex 30 index: 3449.77
Previous: 3373.53

	High	Low	Close	Prev.
Bajaj Auto	532	510	527.75	502.75
Hindust Lever	1500	1530	1564.25	1384.75
Hindust Petm	428	424.50	427	417
Ind Dev Bk	70	77.25	77.55	77.50
ITC	619.75	608	618.25	594.50
Mahanagar Tel	236	230	235.80	232.60
Reliance Ind	153	148	152.80	151.50
State Bk India	244.50	240.50	243.80	238
Steel Authority	7.60	7.15	7.50	7.55
Tata Eng Loco	242.20	235	240.90	228

Brussels

BEL-20 index: 2654.51
Previous: 2652.84

	High	Low	Close	Prev.
Almanij	2100	2080	2095	2080
Barco Ind	8200	8130	8200	0190
BBL	8360	8300	8360	8400
CBR	3290	3250	3270	3280
Colruyt	21800	21450	21700	21200
Delhaize Lion	2315	2280	2310	2325
Electrabel	9140	9090	9720	9120
Electrafina	3600	3530	3590	3530
Fortis AG	9280	9750	9280	9210
Gevaert	1870	1840	1855	1875
GBL	5700	5620	5680	5640
Gen Banque	17775	17625	17650	17675
Kredietbank	17425	17300	17350	17350
Petrofina	13100	12950	12975	13150
Powerfin	6020	6020	6020	6150
Royale Belge	11800	11525	11525	12025
Soc Gen Belg	4070	4025	4025	4040
Solvay	2445	2410	2440	2405
Tractebel	3590	3560	3575	3585
UCB	140300	137550	139900	137500

Market Closed

The stock market in Copenhagen was closed Monday due to technical problems.

Frankfurt

DAX: 4520.64
Previous: 4502.48

	High	Low	Close	Prev.
AMB B	202.80	202.40	202.50	202.70
Adidas	279	274	277	265.20
Allianz	543	537	541	536
Altana	143.50	141.75	143.25	143
Axa Colonia	195.80	191	195.80	189.50
Bk Berlin	37.90	37.10	37.10	37.70
BASF	63.90	63.20	63.20	63.20
Bayer Hypo Bk	91	88.70	90.70	87.30
Bay Vereinsbank	114	110	113.60	109.50
Bayer	74.35	72.60	73.15	73.80
Beiersdorf	84.10	83.30	84.10	84
Bewag	63	62.50	63	63
BMW	1610	1590	1603	1584
Commerzbank	65.55	65.15	65.15	66
Daimler Benz	131.30	129.70	130.90	129.55
Degussa	95.30	94	94	96
Deutsche Bank	125.30	123.60	125.30	126
Deut Telekom	35	34.50	34.80	34.60
Dresdner Bank	83.60	82.70	83	84.10
Fresenius	342	333	333	341
Fresenius Med	130.50	129.60	130	129.40
Fried. Krupp	313	310	310.50	214
Gehe	101.50	97.60	97.60	101.50
Heidelbg Zmt	132	131	131	132.50
Henkel pfd	117.70	117	117.30	116.50
HEW	470	470	470	465
Hochtief	66.50	65.70	66	65.40
Hoechst	71.40	70.60	70.60	71.30
Karstadt	611	607.50	609.50	604
Lahmeyer	73.90	73.70	73.75	73.50
Linde	1095	1083	1085	1086
Lufthansa R	32.90	32.70	32.85	32.20
MAN	489	485	487.50	485.50
Mannesmann	995	980	995	974.50
Metallgesellschaft	38	37.70	37.95	38
Metro	75	74.50	74.60	74.25
Munch Rueck R	779	773	777.50	767
Preussag	590.50	588	588	588
RWE	90.90	99.05	90.05	99.15
SAP	652	645.25	646.50	658.50
Schering	207.25	205.10	205.30	205.90
SGL Carbon	232.90	232.30	232.90	230
Siemens	114.20	113.50	113.80	112.65
Springer (Axel)	1420	1405	1420	1400
Suedzucker	900	899	900	898
Thyssen	379.50	377.50	377.50	378.20
Veba	122.10	121	122	121.05
VEW	582	580	582	585
Viag	998	985	985	976
Volkswagen	1083	1074	1078	1057

Helsinki

HEX General index: 3873.02
Previous: 3861.56

	High	Low	Close	Prev.
Enso A	46.50	46	46	46.50
Huhtamaki I	279	270	275	268
Kemira	54	53	53.30	54
Kesko	97	89.70	90	89.50
Merita A	30.70	30.30	30.70	30.70
Metra B	129.50	127.50	129	126.50
Metso-Serla B	45.20	44.50	45	44.20
Neste	138	137	137	137
Nokia A	508	500	507.50	506
Orion-Yhtymae	160	159	159	160
Outokumpu	69.50	68.60	69	69
UPM-Kymmene	124	123	124	122
Valmet	73.50	72	73	73

Hong Kong

Hang Seng: 10124.83
Previous: 10274.60

	High	Low	Close	Prev.
Amoy Props	5.95	5.80	5.85	6
Bk East Asia	15.20	14.65	14.90	15.40
Cathay Pacific	7.20	6.95	7	7.35
Cheung Kong	48.10	45.70	47.10	48.60
CK Infrastruct	21.30	20.40	21.10	20.80
CLP Holdings	39.30	38.50	39.10	38.70
Citic Pacific	26.50	25	26.35	26.75
Dao Heng Bk	16.70	15.50	16.10	16.85
First Pacific	3.50	3.30	3.40	3.60
Hang Lung Dev	11	10.60	11	11
Hang Seng Bk	65.50	63.25	65.25	66.50
Henderson Inv	6.10	5.85	5.95	6.15
Henderson Ld	33.20	21.40	32.50	33.30
HK China Gas	13.30	12.95	13.20	13.45
HK Electric	27.05	26.15	26.90	26.75
HK Telecomm	15.95	15.60	15.75	16.05
Hopewell Hdgs	1.72	1.57	1.59	1.73
HSBC Hdgs	188.50	184.50	188	189.50
Hutchison Wh	48.30	46.20	47.80	47.80
Hysan Dev	14.60	13.95	14.10	15.05
Johnson El Hdg	25	24	24.50	25.10
Kerry Props	8.90	8.50	8.70	9
New World Dev	24.55	23.60	24.55	24.60
Oriental Press	1.94	1.89	1.94	1.94
Pearl Oriental	0.40	0.35	0.39	0.41
SHK Props	49.30	47.30	48.30	49.60
Shun Tak Hdgs	1.79	1.73	1.77	1.82
Sino Land Co.	3.03	2.75	3.03	3.08
Sth China Post	5.60	5.30	5.45	5.50
Swire Pac A	41.60	40.30	41.40	42.40
Wharf Hdgs	13.30	12.45	13	13.40
Wheelock	8.05	7.75	8	8.15

Jakarta

Composite index: 457.71
Previous: 448.16

	High	Low	Close	Prev.
Astra Intl	1550	1450	1525	1600
Bk Intl Indon	550	475	525	500
Bk Negara	550	500	525	550
Gudang Garm	9650	9100	9700	9475
Indocement	3475	3400	3475	3425
Indofood	2175	2050	2175	2275
Indosat	14850	13500	13800	12000
Sampoerna HM	5300	5075	5100	5300
Semen Gresik	5075	4850	4900	5000
Telekomunikasi	3750	3475	3525	3200

Johannesburg

All Market: 6497.22
Previous: 6454.97

	High	Low	Close	Prev.
ABSA Group	36.10	35	35	35.15
AngloAm Coal	235	225	225	225
AngloAm Corp	205.80	200	201	190.20
AngloAm Gold	207.60	200	204	208
AngloAm Ind	112.60	111.40	112.20	110
AngloAM Plat	72.50	69.90	71.50	71
AVMIN	4.70	4.60	4.60	4.76
Barlow	45.10	44.60	44.60	43.50
C.G. Smith	22.20	21.95	22	21.70
De Beers	101	100	100	94.50
Driefontein	32.20	31.55	21.60	32.50
Fst Natl Bk	51.50	50	50	51
Gencor	9	8.50	8.90	8.75
GFSA	65	64	64	64
Imperial Hdgs	53.40	53	53.10	52.60
Ingwe Coal	17.60	17	17.60	17.40
Iscor	1.81	1.76	1.76	1.79
Johnnies Indl	52.20	51	51	51
Liberty Hdgs	356.40	356	356	350
Liberty Life	129.20	127.00	128	127
LibLife Strat	18.90	18.50	18.50	18
Minorco	85.60	84.70	85.60	85
Nampak	17	16.60	16.70	16.50
Nedcor	131.60	130	120	129
Rembrandt Gp	39.60	39	39	39
Richemont	56.40	54.50	54.50	55.10
SA Breweries	127	124	125.80	125.60
Samancor	25	25	25	25
Sasol	44.55	43.05	43.05	42.95
SBIC	256	251.40	251.40	244
Tiger Oats	76	75	75.40	75.50

Kuala Lumpur

Composite: 661.94
Previous: 685.50

	High	Low	Close	Prev.
AMMB Hdgs	4.20	3.90	4.08	4.18
Genting	13	12.40	12.60	13.10
Mal Banking	13.10	11.40	11.70	12
Mal Intl Ship F	5.90	5.75	5.85	5.95
Petronas Gas	9.75	9.50	9.65	9.50
Proton	5	4.78	4.84	5.20
Public Bk	2.60	1.99	2.02	2.10
Renong	1.83	1.65	1.68	1.76
Resorts World	8.40	7.70	8.20	8.40
Rothmans PM	31.75	30.50	30.75	32
Sime Darby	4.28	4.10	4.10	4.28
Telekom Mal	11.40	10.80	11.20	11.60
Tenaga	8.75	8.05	8.65	8.55
Utd Engineers	4.20	3.80	3.90	4.20
YTL	6.10	5.95	6	6.05

London

FT-SE 100: 5419.90
Previous: 5582.30

	High	Low	Close	Prev.
Abbey Natl	12.33	11.32	12.08	11.84
Allied Domecq	5.40	5.22	5.37	5.36
Anglian Water	8.56	8.40	8.51	8.45
Arcadia Group	4.94	4.85	4.90	4.82
Argos	6.22	6.03	6.06	6.12
Asda Group	1.97	1.92	1.95	1.93
Assoc Br Foods	6.20	6.00	6.09	6.19
BAA	5.94	5.38	5.45	5.45
Barclays	19.50	18.90	19.78	18.86
Bass	9.72	9.36	9.50	9.34
BAT Ind	5.83	5.68	5.69	5.70
Bank Scotland	6.55	6.30	6.50	6.42
Blue Circle	3.56	3.34	3.30	3.39
BOC Group	9.49	9.22	9.36	9.44
Boots	9.24	8.13	9.13	9.07
BPB	3.13	2.95	3.04	3.01
Brit Aerosp	17.75	17.13	17.58	17.16
Brit Airways	5.73	5.51	5.62	5.59
BG	3.37	3.10	3.12	3.13
Brit Land	7.55	7.36	7.44	7.48
Brit Petm	7.97	7.62	7.91	7.88
BSkyB	3.76	3.62	3.66	3.61
Brit Steel	1.41	1.37	1.40	1.41
Brit Telecom	5.79	5.65	5.77	5.80
BTR	1.65	1.61	1.62	1.63
Burmah Castrol	10.83	10.58	10.76	10.81
Cable Wireless	6.28	6.18	6.28	6.20
Cadbury Schw	7.30	7.15	7.25	7.26
Carlton Comm	4.22	4.11	4.20	4.13
Comml Union	10.30	10.05	18.12	10.10
Compass Gp	8.34	8.18	8.30	8.44
Courtaulds	2.76	2.68	2.68	2.62
Diageo	6	5.57	5.68	5.59
Dixons	5.46	5.30	5.37	5.37
Electrocomponents	4.87	4.67	4.68	4.69
EMI Group	4.91	4.84	4.85	4.84
Energy Group	7.75	7.69	7.73	7.73
Enterprise Oil	5.70	5.50	5.52	5.54
Fam Colonial	1.84	1.82	1.83	1.82
Genl Accident	13	12.80	12.85	12.79
GEC	3.90	3.80	3.84	3.83
GKN	13.75	13.46	13.66	13.55
Glaxo Wellcome	19.59	19.16	19.39	19.20
Granada Gp	8.93	8.74	8.88	8.90
GRE	4.15	3.99	4.06	3.97
Greenalls Gp	4.12	4.07	4.08	4.12
GUS	7.53	7.42	7.49	7.49
Hays	8.81	8.45	8.71	8.70
HSBC Hldgs	15.14	14.78	14.90	15.12
ICI	11	10.50	10.78	10.70
Impl Tobacco	4.40	4.22	4.25	4.34
Kingfisher	10.53	10.36	10.49	10.53
Ladbroke	2.93	2.84	2.85	2.86
Land Sec	11.10	18.94	11.06	18.97
Lasmo	2.64	2.60	2.61	2.63
Legal Genl Grp	7.14	6.90	7.07	6.90
Lloyds TSB Gp	9.07	8.69	9.02	8.70
LucasVarity	2.16	2.13	2.14	2.14
Marks Spencer	5.80	5.60	5.70	5.60
MEPC	5.88	5.79	5.81	5.90
Mercury Asset	16.93	16.90	16.93	16.93
National Grid	3.20	3.10	3.16	3.16
Natl Power	6.75	6.35	6.47	6.50
NatWest	11.84	11.45	11.72	11.35
Next	8.13	7.97	8.02	7.93
Norwich Union	4.59	4.48	4.53	4.50
Orange	3.65	3.47	3.56	3.50
P&O	7.60	7.47	7.51	7.53
Pearson	8.97	8.35	8.86	8.36
Pilkington	1.12	1.08	1.12	1.11
PowerGen	8.89	0.57	8.76	8.58
Premier Farnell	3.78	3.68	3.72	3.68
Prudential	8.55	8.38	8.44	8.41
Railtrack Gp	8.75	8.50	8.58	8.56
Rank Group	3.13	3	3.05	3.05
Reckitt Coln	10.12	9.90	10.06	10.03
Reed Intl	6.82	6.60	6.79	6.71
Rentokil Initial	2.88	2.80	2.85	2.88
Reuters Hldgs	6.18	5.54	6.15	6.10
Rexam	2.59	2.50	2.51	2.57
Rio Tinto reg	8.22	8	8.02	8.11
RMC Group	9.25	8.58	8.65	8.61
Rolls Royce	2.06	2.02	2.04	2.02
Royal Bk Scot	9.47	9.15	9.35	9.35
Royal & Sun All	7.50	6.80	6.99	6.83
Safeway	3.78	3.65	3.74	3.63
Sainsbury	4.60	4.40	4.44	4.48
Schroders	19.82	19.40	19.65	19.41
Scot Newcastle	8.50	8.37	8.41	8.37
Scot Power	5.19	5.07	5.13	5.10
Securicor	3.73	3.70	2.70	3.73
Severn Trent	9.50	9.25	9.56	9.53
Shell Transp R	4.20	4.07	4.13	4.07
Siebe	11.64	11.20	11.36	11.46
Smith Nephew	1.80	1.73	1.70	1.75
SmithKline	8.38	8.20	8.35	8.22
Smiths Ind	6.78	8.45	8.54	6.65
Sthern Elec	5.73	5.60	5.71	5.54
Stagecoach	8.10	8.08	8.08	8.14
Stand Charter	7.10	6.70	7.06	6.82
Tate & Lyle	5.00	5	5.07	5.12
Tesco	5.25	4.98	5.12	5.01
Thames Water	8.74	8.51	8.42	8.65
3i Group	5.15	5.05	5.06	5.80
TI Group	5.05	4.80	4.98	4.77
Tomkins	3.47	3.36	3.40	3.30
Unilever	5.17	4.95	5.03	5
Utd Assurance	5.94	5.85	5.91	5.85
Utd News	6.90	6.74	6.76	6.89
Utd Utilities	8.45	8.06	8.14	8.10
Vendome Lx uts	4.78	4.75	4.76	4.78
Vodafone	5.38	5.29	5.32	5.39
Whitbread	9.70	9.47	9.65	9.44
Williams Hdgs	3.57	3.42	3.45	3.47
Wolseley	5.10	4.30	5.02	4.96
WPP Group	2.98	2.80	2.85	2.75
Zeneca	25.92	23.92	25.85	25.57

Madrid

Bolsa index: 713.77
Previous: 710.04

	High	Low	Close	Prev.
Acerinox	22450	21980	22100	22220
ACESA	2290	2225	2245	2235
Aguas Barcelon	6400	6240	6400	6300
Argentaria	10830	10670	10790	10850
BBV	6260	6150	6260	6200
Banesto	1745	1720	1725	1735
Bankinter	8790	8640	8790	8690
Bco Centro Hisp	3955	3875	3900	3940
Bco Popular	11450	11250	11300	11400
Bco Santander	6130	6090	6120	6090
CEPSA	4640	4555	4555	4630
Continente	3160	3100	3120	3120
Corp Mapfre	4100	3965	3980	4065
Endesa	3250	3125	3250	3150
FECSA	1280	1250	1280	1255
Gas Natural	7600	7460	7490	7550
Iberdrola	2220	2165	2205	2190
Pryca	2580	2530	2580	2525
Repsol	6580	6530	6570	6540
Sevillana Elec	1460	1435	1455	1440
Tabacalera	13550	13450	13450	13450
Telefonica	4860	4765	4790	4880
Union Fenosa	1710	1640	1710	1655
Valenc Cement	2900	2875	2900	2895

Manila

PSE index: 2022.73
Previous: 2094.98

	High	Low	Close	Prev.
Ayala	17.50	17.25	17.25	17.75
Ayala Land	17.75	17	17	18.25
Bk Philip Isl	106	101	105	107
C&P Homes	3.50	3	3.10	3.60
Manila Elec A	81	76	79.50	29.50
Metro Bank	290	275	280	295
Petron	5.60	5.40	5.60	5.70
PCIBank	120	115	119	120
Phil Long Dist	980	920	940	905
San Miguel B	57	55	56.50	59
SM Prime Hdg	6.70	6.60	6.70	6.70

Mexico

Late trading

Bolsa index: 4586.94
Previous: 4415.80

	High	Low	Close	Prev.
Alfa A	44.90	44.40	44.60	45.50
Banacci B	21.00	20.60	20.95	21.20
Cemex CPO	31.65	31.50	31.50	31.60
Cifra C	14.28	14.14	14.14	14.44
Emp Moderna	43.00	42.90	42.90	43.00
Gpo Carso A1	46.50	45.80	46.50	46.50
Gpo F Bcomer	3.02	3.00	3.01	3.02
Gpo Fin Inbursa	26.50	26.30	26.20	26.85
Kimb Clark Mex	35.90	35.70	35.75	35.95
Televisa CPO	148.00	147.50	147.50	149.70
TelMex L	21.55	21.35	21.45	21.60

Milan

MIB Telematico: 19656.00
Previous: 19577.00

	High	Low	Close	Prev.
Alleanza Assic	21750	21050	21400	21650
Bca Comm Ital	8080	7755	8020	7915
Bca Fideuram	9900	9560	9820	9720
Bca di Roma	2445	2370	2440	2445
Benetton	30900	30200	30750	31300
Credito Italiano	6690	6450	6650	6690
Edison	11205	10850	11080	10930
ENI	10750	10300	10720	10415
Fiat	6235	5985	6195	6125
Generali Assic	51800	50800	51700	52300
IMI	24600	23800	24000	24550
INA	5120	4915	5045	4945
Italgas	7100	7010	7070	7140
Mediaset	9450	9230	9410	9200
Mediobanca	17995	17600	17790	18060
Montedison	1778	1749	1764	1766
Olivetti	1869	1760	1867	1805
Parmalat	2870	2795	2860	2835
Pirelli	4900	4775	4840	4875
RAS	20050	19600	19800	20200
Rolo Banca	34000	33300	33800	34000
S Paolo Torino	19085	18650	18895	19788
Telecom Italia	12780	12515	12780	12740
TIM	8475	8110	8470	8230

Montreal

Late trading

Industrials index: 3515.73
Previous: 3511.74

	High	Low	Close	Prev.
Bce Mob Com	33¼	32½	32.85	32.60
Cdn Tire A	33¾	33⅛	33¼	33.60
Cdn Util A	46	45.65	45.65	45.80
CT Finl Svc	55½	55¼	55¾	55¼
Gaz Metro	19¼	19.05	19.10	19.20
Gt-West Lifeco	42¼	42	42½	42.15
Imasco	55.30	55.10	55.15	55.40
Investors Grp	42	41¾	42	41½
Loblaw Cos	28.35	27.80	28¼	77
Natl Bk Canada	23.70	23¼	23.45	23¾
Power Corp	51.35	51	51.35	51.40
Power Finl	50½	50¼	50½	50¼
Quebecor B	26.70	26.40	26.70	26.90
Rogers Comm B	5.20	5.05	5.15	5.35
Royal Bk Cda	83.35	82.85	83.20	83½

Oslo

OBX index: 667.45
Previous: 661.07

	High	Low	Close	Prev.
Aker A	121	121	121	120
Bergesen Dy A	160	158	159.50	157.50
Christiania Bk	30.60	29.50	30.60	29.80
Den norske Bk	37.40	36	37.40	36
Elkem	98	97	98	96
Hafslund A	44	43.50	44	44
Kvaerner	295	276	292.50	276.50
Norsk Hydro	327	314	325	335
Norske Skog A	222	219	221.50	219
Nycomed Amer	289	285	287	285
Orkla A	685	650	682	654
Petm GeoSvc	415	411	411	417.50
Saga Petm A	125	124	124.50	125
Schibsted	128.50	125	128.50	125
Transocean Off	305	305	305	327
Storebrand	57	56	57	56.50

Paris

CAC-40: 3225.12
Previous: 3187.73

	High	Low	Close	Prev.
Accor	1274	1236	1273	1248
AGF	327.80	326.20	327	327
Air Liquide	946	917	940	923
Alcatel Alsth	765	758	761	757
Axa-UAP	538	530	535	534
Bancaire	905	895	905	902
BIC	424.80	416.20	420.70	422
BNP	327.20	321	327	323.20
Canal Plus	1189	1167	1183	1162
Carrefour	3455	3331	3455	3390
Casino	371.90	364.60	368	366
CCF	415	410	412	415
Cetelem	710	703	710	703
Christian Dior	665	650	665	650
Credit Agricole	1230	1230	1230	1230
Danone	1186	1161	1174	1168
Dexia France	750	739	749	747
Elf-Aquitaine	663	648	657	648
Eridania BS	1082	1070	1079	1069
Eurodisney	9.30	9.05	9.05	9.30
Eurotunnel	6.85	6.50	6.55	6.60
France Telecom	295.50	286.10	294.80	287.30
Gen. Eaux	939	915	929	922
Havas	439	433.10	438.30	433.80
Imetal	720	707	714	708
Lafarge	417.50	408.50	415.70	417.90
Legrand	1322	1271	1290	1264
L'Oreal	2579	2502	2571	2515
LVMH	1110	1076	1110	1075
Michelin B	328	319.10	319.10	324
Paribas A	555	545	552	552
Pernod Ricard	392.80	384.20	392.80	391.80
Peugeot Cit	832	821	825	828
Pinault-Print	3839	3673	3819	3716
Promodes	2685	2618	2660	2611
Renault	197.70	189.50	197	192.10
Rexel	1974	1951	1965	1960
Rh-Poulenc A	274.60	269.70	271.10	271
Sanofi	675	657	670	651
Schneider	355	346	350	345.30
SEB	771	762	763	769
SGS Thomson	406.90	400.40	400.40	406.60
Ste Generale	850	835	840	842
Sodexho Allianc	3490	3412	3475	3475
St Gobain	832	797	831	800
Suez (Cie)	18.05	18.05	18.05	17.75
Suez Lyon Eaux	747	737	746	745
Synthelabo	785	769	769	770
Thomson CSF	208.90	202.50	205.70	203
Total B	632	614	628	616
Usinor	85	82.90	84.05	83.70
Valeo	479	460.60	478.50	464.90

São Paulo

Bovespa index: 10222.36
Previous: 10391.38

	High	Low	Close	Prev.
Bradesco Pfd	9.80	9.35	9.80	9.00
Brahma Pfd	823.00	820.00	820.01	822.00
Cemig Pfd	45.99	45.00	45.50	46.50
CESP Pfd	45.90	44.60	44.60	45.89
Copel	10.65	10.60	10.60	10.60
Eletrobras	51.99	51.00	51.50	51.80
Itaubanco Pfd	640.00	630.00	630.00	640.00
Light Servicos	415.01	409.90	414.98	420.00
Lightpar	262.00	251.00	254.95	262.00
Petrobras Pfd	251.00	247.00	248.00	252.00
Paulista Luz	137.00	137.00	137.00	177.00
Sid Nacional	28.50	28.50	28.50	28.50
Souza Cruz	N.T.	N.T.	N.T.	10.00
Telebras Pfd	135.88	132.70	133.60	135.50
Telemig	145.00	138.00	145.00	144.00
Telerj	131.00	128.00	129.51	129.00
Telesp Pfd	313.00	311.00	311.60	318.00
Unibanco	39.00	36.00	77.50	42.00
Usiminas Pfd	7.19	7.05	7.10	7.16
CVRD Pfd	24.20	23.50	24.00	24.20

Seoul

Composite index: 476.98
Previous: 506.20

	High	Low	Close	Prev.
Dacom	72000	62500	63000	62100
Daewoo Heavy	7190	6700	6810	7000
Hyundai Eng.	9650	9700	9570	9800
Kia Motors	6400	6270	6280	6870
Korea El Pwr	19400	18100	18500	19000
Korea Exch Bk	3410	3050	3410	3300
LG Semicon	25500	24000	24000	28500
Pohang Iron St	65800	63300	64300	65000
Samsung Display	77000	74600	75900	77700
Samsung Elec	78000	74500	77000	82500
Shinhan Bank	7050	6300	6890	6850
SK Telecom	486000	461000	471500	500000

Singapore

Straits Times: 1481.55
Previous: 1552.69

	High	Low	Close	Prev.
Asia Pac Brew	4.88	4.80	4.88	4.88
Cerebos Pac	4.06	4	4.06	4.24
City Devts	6.40	6.35	6.35	6.98
Cycle Carriage	6.30	6.15	6.20	6.95
Dairy Farm Int *	1.12	1.03	1.05	1.01
DBS foreign	12.50	12	12.40	12.98
DBS Land	3.20	2.14	2.15	2.22
Fraser & Neave	7.15	7.10	7.10	7.30
HK Land *	1.73	1.69	1.70	1.80
Jard Mathesn *	4.66	4.54	4.64	4.66
Jard Strategic *	2.70	2.61	2.67	2.69
Keppel A	4.24	4.16	4.16	4.30
Keppel Bank	2.24	2.21	2.23	2.29
Keppel Fels	4.44	4.34	4.34	4.48
Keppel Land	1.73	1.68	1.71	1.76
OCBC foreign	8.50	8.25	8.25	8.70
OS Union Bk F	5.30	5.25	5.25	5.35
Parkway Hdgs	2.87	2.83	2.83	2.95
Sembawang	2.75	2.63	2.63	2.76
Sing Air foreign	11.70	11.60	11.60	12.10
Sing Land	3.76	3.62	3.74	3.60
Sing Press F	23	22.30	22.30	23.70
Sing Tech Ind	1.42	1.39	1.40	1.45
Sing Telecomm	3.04	2.98	3.02	3.20
Tat Lee Bank	1.95	1.93	1.93	1.99
Utd Industrial	0.55	0.54	0.55	0.57
Utd O'Sea Bk F	7.65	7.40	7.45	8.05
Wing Tai Hdgs	1.26	1.20	1.25	1.26

*: in U.S. dollars.

Stockholm

SX 16 index: 3528.62
Previous: 3506.81

	High	Low	Close	Prev.
AGA B	99.50	98	90	99
ABB A	97	96	97	97.50
AssiDoman	191	188	190	189.50
Astra A	159.50	157.50	159	160
Atlas Copco A	229.50	224	227	224.50
Autoliv	239	231	238	231
Electrolux B	598	592	598	592
Ericsson B	346	339	346	341
Forenings Spar	208	200	207.50	200
Hennes B	376	368	372	371
Incentive A	775	773	773	785
Investor B	405	401	404	404
MoDo B	314	209.50	314	211
Nordbanken Hdg	47.30	46.80	47.20	47.60
Pharm/Upjohn	320	315.50	315.50	316.50
Sandvik B	224	219	223	219
Scania B	184.50	182	183.50	182
SCA B	175.50	173.50	175.50	176
S-E Banken A	104	101.50	102.50	103.50
Skandia Fors	431	416	428	413.50
Skanska B	357	348	357	348.50
SKF B	168.50	166.50	168	167
Stora A	102	190	101	102
Sv Handels A	321	315	320	315
Volvo B	220	217	219	217.50

Sydney

All Ordinaries: 2621.20
Previous: 2653.00

	High	Low	Close	Prev.
Amcor	6.61	6.50	6.57	6.58
ANZ Bking	9.65	9.40	9.43	9.64
BHP	14.45	14.05	14.10	14.48
Boral	3.59	3.53	3.56	3.60
Brambles Ind.	29.18	29	29.03	29.30
CBA	17.83	17.58	17.58	18.26
CC Amatil	12.10	11.85	11.90	12.20
Coles Myer	7.48	7.40	7.45	7.38
Comalco	6.68	6.20	6.30	6.68
CSR	4.94	4.81	4.81	4.86
Fosters Brew	3.12	3.08	3.09	3.12
Goodman Fld	2.38	2.29	2.33	2.39
Lend Lease	34.50	34	34.40	34.20
MIM Hdgs	0.88	0.84	0.87	0.85
Nat Aust Bank	19.25	18.93	19.07	19.25
Nat Mutual Hdg	3.04	2.99	2.90	3.01
News Corp	9.41	9.33	9.33	9.43
Orica	10.36	10.24	10.24	10.28
Pacific Dunlop	2.80	2.61	2.65	2.70
Pioneer Intl	3.96	3.83	3.90	3.96
Pub Broadcast	7.65	7.48	7.65	1.48
Rio Tinto	19.30	18.85	18.90	19.20
St George Bank	8.62	8.46	8.46	8.62
WMC	5.23	5.08	5.09	5.15
Westpac Bking	10	9.91	9.91	9.90
Woodside Pet	9.21	9.13	9.12	9.12
Woolworths	5.38	5.28	5.28	5.40

Taipei

Stock Market index: 8708.29
Previous: 8706.46

	High	Low	Close	Prev.
Cathay Life Ins	142	139.50	140	141
Chang Hwa Bk	100	97	97.50	99
Chiao Tung Bk	76	72	73	74
China Devlpmt	109	105	109	107
China Steel	21.60	21.30	21.30	21.40
First Bank	89.50	87.50	87.50	88.50
Formosa Plastic	67	66	66	67.50
Hua Nan Bk	92	90	90.50	91.50
Intl Comm Bk	55.50	54	54.50	55
Nan Ya Plastics	62	60.50	61	62
Shin Kong Life	95	93	93.50	94
Taiwan Semi	146	139	146	150
Tatung	31.20	31	31.10	31
Utd Micro Elec	75	72.50	75	77.50
Utd World Chn	51.50	50.50	50.50	51

Tokyo

Nikkei 225: 16775.52
Previous: 16791.01

	High	Low	Close	Prev.
Ajinomoto	1280	1260	1270	1310
All Nippon Air	651	641	645	660
Amway	2750	2750	2750	2750
Asahi Bank	695	686	695	710
Asahi Chem	533	522	533	564
Asahi Glass	748	735	748	787
Bk Tokyo Mitsu	1860	1840	1840	1860
Bk Yokohama	424	413	413	424
Bridgestone	2940	2810	2940	2830
Canon	2860	2780	2860	2770
Chubu Elec	2000	1980	1990	1990
Chugoku Elec	1890	1870	1880	1870
Dai Nipp Print	2270	2220	2270	2260
Daiei	702	692	695	729
Dai-Ichi Kang	1060	1030	1050	1070
Daiwa Bank	360	341	360	372
Daiwa House	1060	1010	1020	1090
Daiwa Sec	588	579	583	605
DDI	3630a	3610a	3620a	3780a
Denso	2360	2280	2360	2300
East Japan Ry	5970a	5930a	5960a	5970a
Eisai	1900	1860	1900	1830
Fanuc	4580	4510	4580	4560
Fuji Bank	920	895	920	926
Fuji Photo	4920	4760	4920	4760
Fujitsu	1440	1420	1430	1430
Hachijuni Bk	998	991	997	993
Hitachi	1000	992	1000	998
Honda Motor	4560	4410	4550	4400
IBJ	1050	1020	1040	1090
IHI	289	284	286	301
Itochu	348	340	348	368
Ito-Yokado	7360	7080	7350	7060
JAL	486	460	486	481
Japan Tobacco	920	889	977	884
Jusco	2400	2360	2370	2400
Kajima	461	450	460	481
Kansai Elec	2170	2160	2160	2160
Kao	1740	1720	1730	1710
Kawasaki Hvy	305	304	304	327
Kawa Steel	210	206	209	212
Kinki Nipp Ry	695	692	695	693
Kirin Brewery	1130	1110	1120	1110
Kobe Steel	132	128	128	135
Komatsu	654	642	642	664
Kubota	396	371	371	402
Kyocera	6150	5860	6150	6060
Kyushu Elec	1880	1860	1860	1880
LTCB	323	309	322	338
Marubeni	334	328	330	335
Marui	2030	2010	2030	2050
Matsu Comm	4000	3900	4000	3880
Matsu Elec Ind	1970	1950	1950	1930
Matsu Elec Wk	1240	1230	1240	1240
Mitsubishi	1020	994	1000	1020
Mitsubishi Ch	239	227	239	245
Mitsubishi El	398	391	392	403
Mitsubishi Est	1450	1420	1450	1460
Mitsubishi Hvy	546	541	546	552
Mitsubishi Mat	466	457	458	461
Mitsubishi Tr	1500	1490	1490	1520
Mitsui	832	825	830	828
Mitsui Fudosn	1370	1350	1360	1360
Mitsui Trust	412	407	408	425
Murata Mfg	3710	3700	3710	3720
NEC	1510	1480	1500	1480
Nikon	1340	1300	1340	1300
Nikko Sec	487	473	478	497
Nintendo	11800	11800	11800	11800
Nipp Express	817	800	814	832
Nippon Oil	459	450	459	454
Nippon Steel	221	218	220	228
Nissan Motor	595	585	590	597
NKK	153	149	151	155
Nomura Sec	1770	1750	1770	1790
NTT	1220	1210	1220	1.21
NTT Data	6570	6440	6440	6.47
Oji Paper	612	605	612	631
Osaka Gas	278	275	275	278
Ricoh	1460	1430	1450	1420
Rohm	12800	12700	12800	12100
Sakura Bk	493	487	489	521
Sankyo	3290	3140	3280	3180
Sanwa Bank	1430	1400	1430	1450
Sanyo Elec	349	338	343	355
Secom	8000	7970	7980	7980
Seibu Rwy	4790	4760	4770	4810
Sekisui Chem	900	895	900	895
Sekisui House	1100	1080	1090	1090
Seven-Eleven	8540	8500	8540	8560
Sharp	1040	1020	1040	1050
Shikoku El Pwr	1860	1850	1850	1860
Shimizu	474	467	474	485
Shin-etsu Ch	2840	2760	2840	2750
Shiseido	1670	1630	1660	1630
Shizuoka Bk	1440	1400	1440	1410
Softbank	4610	4510	4510	4830
Sony	11300	10900	11300	11800
Sumitomo	870	858	867	890
Sumitomo Bk	1540	1510	1520	1560
Sumit Chem	373	366	373	400
Sumitomo Elec	1040	1820	1840	1860
Sumit Metal	315	208	211	219
Sumit Trust	870	862	865	926
Taisho Pharm	2990	2960	2960	3060
Takeda Chem	3440	3380	3440	3380
TDK	9390	9150	9390	9120
Tohoku El Pwr	1880	1860	1870	1880
Tokai Bank	077	859	859	883
Tokio Marine	1380	1370	1370	1390
Tokyo El Pwr	2370	2330	2330	2350
Tokyo Electron	4720	4660	4700	4860
Tokyo Gas	280	275	276	282
Tokyo Corp.	557	547	551	557
Tonen	855	835	855	832
Toppan Print	1590	1550	1590	1570
Toray Ind	672	643	662	663
Toshiba	600	592	598	612
Tostem	1720	1700	1710	1730
Toyo Trust	870	850	850	890
Toyota Motor	3390	3330	3390	3310
Yamanouchi	3120	3050	3100	3050

a: x 100; b: x 1,000

Toronto

Late trading

TSE Industrials: 6980.64
Previous: 6972.81

	High	Low	Close	Prev.
Abitibi Cons.	20.40	20.15	20.20	20.40
Alberta Energy	31.60	31.20	31.45	31¼
Alcan Alum	45.60	45	45¼	45¼
Anderson Expl	15.65	15.60	15.60	15.60
Bk Montreal	74.60	74.10	74.35	74.85
Bk Nova Scotia	35.35	34.85	35.30	35.35
Barrick Gold	29.05	28.65	28.90	28.85
BCE	48.65	48	48.60	48.10
BCTelecomm	45.20	45	45.10	45.15
Biochem Pharm	34½	34¼	34½	34.55
Bombardier B	21.90	31.60	31.80	21.85
Cameco	44¾	44.10	44.65	44.10
CIBC	45.90	44.60	45.80	46
Cdn Natl Rail	86¼	85.80	86.30	86
Cdn Nat Res	27½	27.05	27.20	27½
Cdn Occid Pet	29	28.70	29	28.60
Cdn Pacific	40½	40.20	40.60	40.30
Cominco	24.40	24	24.10	24
Dofasco	24.60	24.05	24½	24.05
Domtar	10	9.95	10	10
Donohue A	27.40	27.10	27.20	27
Du Pont Cda A	48	39	39½	39
EdperBrascan	27	26¾	26.95	26.70
EuroNev Mng	24	23½	23.80	23½
Fairfax Finl	325	320	325	315
Falconbridge	20	19.70	19.70	19½
Fletcher Chall A	20.55	20.10	20.10	20.20
Franco Nevada	31	30¾	30¾	30½
Gulf Cda Res	7.30	7.20	7¼	7.20
Imperial Oil	84½	83.60	83.60	84.05
Inco	26.30	25¾	26.20	25.70
IPL Energy	66.10	65.85	66	66
Laidlaw B	21.65	21.15	21.40	21.10
Loewen Group	34	33½	33.80	34
Macmill Bldl	18.10	18	10	18
Magna Intl A	85¾	84.35	85.70	84.35
Methanex	11½	11.35	11.45	11.35
Moore	22	21¾	21.95	21.95
Newbridge Net	33.60	33¼	33½	33.05
Noranda Inc	27.80	27½	27.70	27.65
Norcen Energy	19.70	19.65	19.65	19.65
Nthern Telecom	67½	67	67.40	67¼
Nova	16.20	16.05	16.10	16.15
Onex	31.95	31½	31.95	31.40
Pancdn Petlm	21¼	21.05	21¼	20.80
Petro Cda	26.20	25¾	25.95	26.10
Placer Dome	18.30	18.05	18.20	18.10
Poco Petlm	13.15	13	13.10	13.10
Potash Sask	130¼	130	130¼	130.60
Renaissance	28.20	28	28.20	27.85
Rio Algom	28¼	27.70	28.35	28
Rogers Cantel B	10.70	10.35	10.35	9.95
Seagram Co	54.60	53.80	54.10	54.65
Shell Cda A	23.15	22¾	23.15	22.80
Suncor	51.95	51½	51¾	51½
Talisman Eny	42	41.35	41.95	41.35
Teck B	19.80	19½	19.70	19.60
Teleglobe	48.65	48	48½	48½
Telus	34¼	34.35	34½	34¼
Thomson	41¼	40¾	41.20	41.05
TorDom Bank	60½	59¾	60.05	61.45
Transalta	23.15	22.95	23.10	22
TransCda Pipe	32.70	32.60	32.65	32¾
Trimark Finl	52¼	51.60	51.60	51.80
Trizec Hahn	35.15	34.70	35	34¾
TVX Gold	4¼	4.11	4.15	4⅛
Westcoast Eny	35.35	34½	34.90	35.15
Weston	123	120	123	120

Vienna

ATX index: 1340.83
Previous: 1336.94

	High	Low	Close	Prev.
Bank Austria	800	707	790.20	797
Boehler-Uddeh	819	785.50	791	815
Creditanst Pfd	955	930	955	927.10
EA-Generali	3495	3475	3480	3465
EVN	1808.95	1760.50	1796	1784
Flughafen Wien	531	526	530.05	530
OMV	1600	1560.50	1600	1590
Oest Elektriz	1408.95	1392	1400	1404
VA Stahl	451	445	449.50	440.30
VA Tech	1721	1693	1706	1700
Wienerberg Bau	2404	2382	2398	2404

Wellington

NZSE-40 index: 2298.39
Previous: 2313.01

	High	Low	Close	Prev.
Air N Zeald B	2.80	2.78	2.80	2.80
Brierly Invt	1.19	1.10	1.18	1.20
Carter Holt ord	2.75	2.70	3.71	2.81
Fletch Ch Bldg	4.22	4.10	4.10	4.23
Fletch Ch Eny	6.70	6.60	6.60	6.70
Fletch Ch Forst	1.43	1.38	1.39	1.44
Fletch Ch Paper	2.42	2.36	2.36	2.45
Lion Nathan	4.11	4.08	4.09	6.13
Telecom NZ	8.16	8.10	8.10	8.09
Wilson Horton	10.35	10.20	10.20	10.35

Zurich

SPI index: 4284.53
Previous: 4280.20

	High	Low	Close	Prev.
ABB B	1899	1865	1887.50	1910
Adecco B	482.50	474.50	482.50	480
Alusuisse R	1691	1670	1678.78	1691
Ares-Serono B	2245	2220	2225	2220
Atel R	940	930	930	935
Baer Hdg B	2950	2890	2910	2925
Baloise Hdg R	3075	3020	3070	3016
BK Vision	1625	1610	1670	1618
Ciba Spec Chem	170.75	169	170.48	170.25
Clariant R	1411	1400	1410	1408
Crd Suisse Gp R	260	256.50	258.50	261.50
Ems-Chemie	7570	7460	7540	7565
ESEC Hdg	2920	2650	2780	2955
Holderbank B	1251	1242	1248	1249
Liechtenst LB B	622	619	622	617
Nestle R	2510	2497	2509	2501
Novartis R	2567	2548	2560.40	2565
Oerlikn Bueh R	217	211.50	211.92	214
Pargesa Hld B	1940	1885	1911	1860
PharmVisn B	1060	1040	1057	1060
Richemont A	1685	1647	1666.95	1650
Pirelli PC	338	334	334	335
Roche Hdg PC	16570	16100	16418	16585
SBC R	484.50	479	483.50	480
Schindler PC	1830	1780	1787.50	1800
SGS B	2608	2570	2602	2583
SMH B	835	820	835	837
Sulzer R	1110	1007	1095	1098
Swiss Reins R	2985	2952	2985	2987
SAir Group R	1914	1905	1908.35	1920
UBS B	2249	2220	2246	2229
Zurich Assur R	752	736	742.82	737

The Trib Index

Prices as of 3:00 P.M. New York time

Jan. 1, 1992 = 100	Level	Change	% change	year to date % change
World Index	182.31	+ 0.20	+ 0.11	+ 5.93
Regional Indexes				
Asia/Pacific	99.84	— 1.42	— 1.40	+ 3.92
Europe	208.51	+ 1.49	+ 0.72	+ 8.01
N. America	230.25	+ 0.20	+ 0.09	+ 6.60
S. America	142.08	— 1.48	— 1.03	— 6.94
Industrial Indexes				
Capital goods	224.03	— 0.37	— 0.16	+ 8.45
Consumer goods	226.25	+ 1.14	+ 0.51	+ 7.88
Energy	190.61	+ 1.53	+ 0.81	— 2.23
Finance	133.85	— 0.38	— 0.28	+ 8.86
Miscellaneous	151.67	— 1.30	— 0.85	+ 1.19
Raw Materials	173.46	— 0.01	— 0.01	+ 3.72
Service	184.34	— 0.03	— 0.02	+ 5.75
Utilities	166.16	+ 0.03	+ 0.02	— 0.43

The International Herald Tribune World Stock Index © tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. For more information, a free booklet is available by writing to The Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France. Compiled by Bloomberg News.

Advertisement

INTERNATIONAL FUNDS

February 16, 1998

available on Internet: http://www.iht.com/IHT/FUN/funds.html

Quotations supplied by fund groups to Micropal Paris, t: 33-1 40 28 09 09, e-mail: ihtdata@micropal.fr

For information on how to list your fund, fax Katy Houri at (33-1) 41 43 92 12 or E-mail : funds@iht.com

To receive free daily quotations for your funds by E-mail : subscribe at e-funds@iht.com

	002 ABC INVESTMENT & SERVICES CO (E.C.)		
	Manama-Bahrain,PO 2808,Fx 533067 Tl 532235		
m	ABC Islamic Fund (E.C.)	$	155.22
m	ABC Global Recovery Fd	$	133.73
	003 ABN AMRO BANK, P.O. Box 283, Amsterdam		
w	Columbus Securities	$	165.00
w	Trans Europe Fund Fl	Fl	210.30
w	Trans Europe Fund $	$	102.45
w	Alrenta	Fl	339.90
	004 ABN AMRO Funds Tel : 352-424949		
	4, rue J Monnet,2180 Lux.Fx 352-424949		
d	Latin America Eq Fd	$	82.75+
d	North America Eq Fd	$	113.38+
d	Asian Tigers Eq Fd	$	39.87+
d	Europe Equity Fd	$	107.48+
d	Japan Equity Fd	$	44.54+
d	Germany Equity Fd	DM	240.00+
d	Global Bond Fd	$	68.33+
d	Europe Bond Fd	$	48.97+
d	US Bond Fund	$	65.45+
d	Germany Bond Fd B	DM	113.07+
d	Spain Bond Fund	Ptas	11545.00+
d	Eastern Europe Eq Fd	DM	251.30+
d	China Equity Fd	$	35.29+
d	Switzerland Equity Fd	SF	210.01+
d	Glob Em Markets Eq Fd	$	39.57+
d	Netherlands Eq Fd	Fl	99.61+
d	Italy Equity Fund	Lit	131537.00+
d	Euro Bond Fund	Ecu	52.73+
d	Latin America Bond Fd	$	51.97+
d	Italy Bond Fund	Lit	106846.00+
d	Netherlands Bond Fd	Fl	104.43+
	270 ABN AMRO INTEREST GROWTH FUND		
d	ABN AMRO Int Gth-BEF	BEF	3662.00
d	ABN AMRO Int Gth-DEM	DEM	120.36
d	ABN AMRO Int Gth-NLG	NLG	131.79
d	ABN AMRO Int Gth-USD	$	42.54
d	ABN AMRO Int Gth-ITL	ITL	102814.00
	005 ABSOLUTE PERFORM T:31 20 5722 110		
m	Chorus International Ltd	$	128.83
m	Kabyar Intl Ltd	$	109.44
m	Pulsar (Multi) Ltd	$	150.96
	006 AEB WORLDFOLIO MUTUAL FUNDS		
d	$ Daily Income	$	1.00
d	DM Daily Income	DM	1.00
d	$ Bond Income	$	21.42
d	Non - $ Bonds	$	31.46
d	Global Bonds	$	25.59
d	Global Balanced	$	26.03
d	Global Equities	$	29.56
d	US Conservative Equities	$	22.98
d	US Agressive Equities	$	30.21
d	European Equities	$	21.29
d	Pacific Equities	$	9.99
d	Natural Resources	$	7.47
d	Asia Growth Co	$	5.78
d	Emerg Market Deb	$	16.22
	007 AIG ASSET MANAGEMENT Ltd		
d	AIG Amer. Eq. Trust	$	29.1400
w	AIG Asia Emerg Mkts Fd	$	56.5847
w	AIG Balanced World Fd	$	153.6448
d	AIG Eu MdEast Af Em Mk	$	110.8690

	217 COLBERT SECURITIES ASSET MNGT LTD		
m	CSAM Positioning Fd	$	16.65
	068 COMGEST (33-1) 46 70 75 10		
m	C.F.E Onyx Fund	$	14.7290
f	C.F.E. Lotus Fund	$	8.7306
w	Comgest Asia	$	1082.47
w	Comgest Europe	SF	2888.71
w	Panda Sicav	$	672.90
	042 COWEN ASSET MANAGEMENT		
	Cowen Enterprise Fund N.V.		
w	Class A Shs	$	1114.69
w	Class B Shs	$	2109.52
	020 CREDIT AGRICOLE INDOSUEZ LUX		
m	Decathlon Fund Ltd	$	114.166
d	Euro-Special Eq Fd	Ecu	11.36
w	The Dragon Fund	$	59.41
b	Maxima Fut Fd Ser 1 Cl A	$	125.705
b	Maxima Fut Fd Ser 1 Cl E	$	115.358
m	Maxima Fut Fd Ser 2 Cl C	$	137.328
m	Indosuez Curr. Cl A Units	$	137.21s
w	Indosuez High Yld Bd A	$	107.45
w	Indosuez High Yld Bd B	$	154.92
b	Mad Espana	Ptas	181712.00
d	Indosuez Latin America	$	8.82
d	Indosuez Multimedia Fd	$	20.18
d	Indosuez Eur Sml Co Fd	DM	16.04
	INDOCAM ASIA		
d	Indosuez Asian Ptf-Hong Kong A	$	53.31
d	Indosuez Asian Ptf-Hong Kong B	$	53.31
d	Indosuez Asian Ptf-Philip A	$	7.56
d	Indosuez Asian Ptf-Philip B	$	7.58
d	ISA Asian Growth Fund	$	53.59
d	ISA Japan Reg. Growth Fd	Y	576.00
d	ISA Pacific Gold Fund	$	10.75
d	ISA Asian Income Fund	$	10.37
d	Indosuez Korea Fund	$	3.77
w	Shanghai Fund	$	10.84
w	Himalayan Fund	$	11.82
w	Manila Fund	$	11.327
w	Malacca Fund	$	6.215
d	The Siam Fund	$	17.96
d	Indosuez Sing & Malay Tst	$	[illegible]
d	Indosuez Pacific Tst	HK$	[illegible]
d	Indosuez Japan Fd	$	10.895z
d	Indosuez Managed Tst	$	25.830z
d	Indosuez Asian Ptf-Indon A	$	5.23
d	Indosuez Asian Ptf-Indon B	$	5.31
	044 CREDIT COMMERCIAL DE FRANCE		
w	Elysees Monetaire	FF	17515.09
d	Sam Acticash USD B	$	1329.57
	045 CREDIT LYONNAIS ROUSE (Bermuda) Ltd		
m	Systemtrend Ltd	$	14.814
	CLR SELECT 30-01-98 (LUX REG)		
m	Div US$ Ord	$	8.39
m	Div DM Ord	DM	16.75
m	Div FFr Ord	FF	44.40
m	Div AS Ord	AS	7.34
m	Div US Grid May 99	$	11.40
m	Div AS Grid Jan 2000	AS	12.78
	043 CREDIT SUISSE ASSET MNGT FUNDS		

w	Ermitage UK Value Fd	$	17.45
w	Ermitage Oday Fund	DM	17.90
w	Ermitage Glbl Mining Invt	$	5.85
	057 EUROPA FUNDS LIMITED		
d	American Equity Fund	$	644.92
d	American Option Fund	$	645.95
w	Asian Equity Fd	$	111.52
w	European Equity Fd	$	245.28
	059 EVEREST CAPITAL (Tel:+1-441-292-2200)		
m	Everest Capital Frontier Ltd	$	33.1501
m	Everest Capital Intl Ltd	$	331.50
	211 F.I. FOUNDERS ASSET MNGT-IOM		
	Tel: 44 1624 686320 Fax: 44 1624 688234		
m	F.I. Founders Fd Ltd	$	917.53
	060 FAIRFIELD GREENWICH GROUP		
m	Advanced Strategies Ltd	$	291.8942
w	Fairfield Intl Ltd	$	378.93
w	Fairfield Lambda Ltd	SF	107.6053
w	Fairfield Sentry Ltd A	$	811.5000
w	Fairfield Sigma Ltd	SF	105.3855

	195 HIGH YIELD WORLD FUND 31/12/97		
	T: (345) 949 7212/F: 949 0993		
m	U.S. Dollar Portfolio	$	1104.69E
m	Swiss Franc Portfolio	SF	1097.79E
	220 IAM INTERNATIONAL LTD		
	Tel : (345) 949 7212/Fax : (345) 949 0993		
m	IAM High Growth	$	744.97
m	IAM High Yield	$	2100.51
m	IAM Bast	$	2339.42
m	IAM Latin America Equity	$	1047.37
m	IAM Latin Direct Invt Fd	$	471.77
	221 IDF INVESTMENT & DEVELOP FIN		
w	IDF Global Fund Inc	$	125.40
	089 INCOME PARTNERS ASSET MGT (HK) LTD		
	Suite 1901, Cheung Kong First Bank Centre, 1 Duddell Str, HK		
	Tel: (852) 2869 0161 Fax: (852) 2867 6991		
w	Asia Fix Inc Ser II	$	7.157
w	Asian Convert Bond Fd	$	5.506
w	Asian Dynamic Income Fd	$	2.515
w	Asian Fixed Income Fd	$	9.095

d	Class B	£	6.15
	TECHNOLOGY PORTFOLIO		
d	Class A	$	14.19
d	Class B	$	14.08
d	Class A	$	8.48
d	Class B	$	8.42
	US SMALL CAP PORTFOLIO		
d	Class A	$	10.36
d	Class B	$	10.36
	VISIONARY PORTFOLIO		
d	Class A	$	13.99
d	Class B	$	13.87
	WORLD NATURAL RESOURCES PTFL		
d	Class A	$	12.21
d	Class B	$	11.37
d	Class D	$	12.24
	DRAGON PORTFOLIO		
d	Class A	$	10.80
d	Class B	$	10.39
d	Class D	$	10.84
d	Class A	$	6.42
d	Class B	$	6.35

d	Offshore European Gwth	$	3.9188z
d	Offshore Far East Gwth	$	3.7143z
d	Offshore Intl Growth Fd	$	7.7374z
d	Offshore Japanese Gwth	$	0.9255z
d	Offshore Lat Am Gwth Fd	$	1.2141z
d	Offshore UK Gwth Fd	£	5.4036z
	PERPETUAL OFFSHORE INC ACC FUND LTD		
d	£ Bond Class	£	1.1664z
d	£ Money Market Class	£	1.0642z
d	Intl Bond Class	$	1.0443z
d	US$ Bond Class	$	1.0627z
d	US$ Money Market Class	$	1.0539z
	148 PICTET & CIE - GROUP		
d	Amerosec	$	108.57
w	P.B.F. Glbl Strat - CHF	SF	139.43
w	P.B.F. Glbl Strat - USD	$	109.59
w	P.B.F. Glbl Strat Inst - CHF	SF	142.82
w	P.C.F Germavel (Lux)	DM	189.980
w	P.C.F Iberivalor	[illegible]	62.76
w	P.C.F Noramval (Lux)	$	57.84
w	P.C.F UK Val (Lux)	£	112.13

AS - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Marks; Dkk - Danish Kroner; Do - US Dollars; ECU - European Currency Unit; FF - French Francs; FM - Finnish Mark; FL - Dutch Florin; IDR - Indonesian Rupiah; Lit - Italian lira; LF - Luxembourg Francs; p - pence; MYR - Malaysian Ringgit; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Sek - Swedish Kronor; THB - Thai Baht; Y - Yen;

a - asked + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - stock Split; * - Ex-Dividend; ** - Ex-Rts; - @ Offer Price incl. 3% prelim. charge; * - Paris exchange; ++ - Amsterdam exchange; z - misquoted earlier; x - not registered with regulatory authority. P: Middle of bid and offered price. E: estimated price; y: price calculated 2 days prior to publication; bid price.

The marginal symbols indicate frequency of quotations supplied: (d) - daily; (w) - weekly; (b) - bi-monthly; (f) - fortnightly; (r) - regularly; (t) - twice weekly; (m) - monthly.

ielding to As

Japan.
nks Set
st Cuts

KORE

JAPAN

2 Pay-TV Compa

By Thomas Crampton

هكذا من الأصل

ASIA/PACIFIC

Yielding to Asia Crisis, Vietnam Devalues Its Currency

By Joseph Kahn
New York Times Service

BANGKOK — Vietnam became the latest Southeast Asian country to devalue its currency Monday, as Asia's financial turmoil showed signs of pummeling even the most protected regional markets.

The Vietnamese central bank allowed the country's currency, the dong, to slip 5 percent, taking the dollar to a new controlled rate of 11,800 dong. The bank allows the dong to trade within a 10 percent band around the target rate, and the dollar rose to its ceiling of 12,980 dong, an all-time high.

The devaluation underscores the danger facing Vietnam, whose 74 million people make it the most populous Southeast Asian country after Indonesia. Relatively late to open to the outside world, Communist-run Vietnam never fully benefited from the region's economic boom.

But that has hardly isolated it from Asia's crash: Plunging foreign investment pledges and slackening exports show that the pain of the region's turmoil has already arrived on Hanoi's doorstep.

Allowing the protected dong to sink against the dollar is a sign that Vietnam has started to worry that the crisis will have a greater impact on the country than they once hoped. Although the central bank permitted a small devaluation last fall, it has been reluctant to allow a big drop against the dollar.

A stronger currency has helped Vietnam import capital equipment it needs to modernize its factories and repay its heavy state bank debt at favorable prices.

Like China, Vietnam does not allow its currency to be traded freely on currency markets, so any devaluation is essentially a political decision. But markets played a role: Traders say that currency swap-market transactions, which had been running at as much as $8 million a day, have shriveled to less than $500,000 a day recently. Many companies have hoarded dollars or arranged trades on the black market, traders say.

"Vietnamese officials had been promising that they would hold the line," said an American executive in Hanoi. "I think the markets forced their hand."

He said many in the Vietnamese capital expected the new devaluation to be followed by further falls in the dong's value, especially if other currencies in the region remain at their new low levels against the dollar.

Vietnam once hoped tight restrictions on foreign debt and its currency controls would inoculate it against the Asian contagion. But that now seems unlikely. Growth has already shown signs of sinking from a rate last year of 9 percent, and some economists expect growth this year of no more than 6 percent or 7 percent.

"Regional troubles present two clear threats to Vietnam," said Andrew Steer, Vietnam country director for the World Bank. "They face a loss of competitiveness and a decline in investment."

New foreign investment contracts dropped 40 percent last year, to $5 billion. Furthermore, Vietnam relies on some of the East Asian countries most affected by the crisis, especially South Korea, Thailand and Malaysia, for two-thirds of its foreign investment, making a further slowing of pledges this year a good bet.

Pledges to invest reached almost $9 billion in 1996, a sum that made Vietnam's small economy more dependent on foreigners for investment than any other in Asia.

The regional slowdown has also hit just as the early euphoria about Vietnam's opening has given way to realism. Foreign investors say they are swamped with red tape, changing regulations, inadequate legal protection and suspicion about their motives.

Among the disenchanted, Chrysler Corp. pulled out last year. Procter & Gamble Co.'s Vietnam unit has waged a heated battle against its state-controlled Vietnamese partner and now says it is on the verge of bankruptcy.

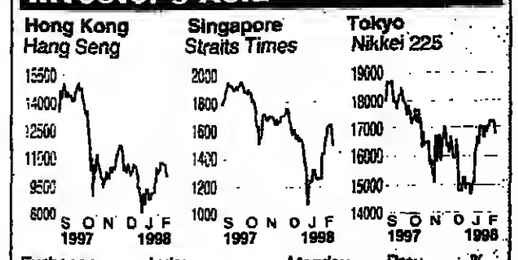
Complaints have grown so loud that Prime Minister Phan Van Khai held an unprecedented "town meeting" with 800 foreign investors last month, promising to speed up reform.

Regional turmoil has also undermined Vietnam's once-surging exports. The country sells two-thirds of its exports to its neighbors, where imports are contracting. Commodities such as rice and coffee face stiffer competition from Thailand and Indonesia.

Despite low wage rates, the dong's relative strength has largely eliminated Vietnam's advantage as a base for manufacturing labor-intensive goods. In January, exports totaled $650 million, down from $850 million in December. Foreign garment and shoe makers in Ho Chi Minh city laid off some 3,000 workers at the end of 1997, the official Vietnamese press reported.

The modest devaluation just made will not provide much export stimulus, Mr. Steer of the World Bank said, but it showed that the government took the Asia crisis seriously and was trying to improve the business environment.

Investor's Asia



Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong	Hang Seng	10,124.03	10,274.60	-1.47
Singapore	Straits Times	1,481.55	1,552.69	-4.58
Sydney	All Ordinaries	2,621.20	2,653.00	-1.20
Tokyo	Nikkei 225	16,775.52	16,791.01	-0.09
Kuala Lumpur	Composite	661.94	685.50	-3.44
Bangkok	SET	484.06	499.97	-3.18
Seoul	Composite Index	476.98	506.20	-5.77
Taipei	Stock Market Index	8,708.29	8,706.46	+0.02
Manila	PSE	2,022.73	2,094.98	-3.45
Jakarta	Composite Index	457.71	448.158	+2.13
Wellington	NZSE-40	2,290.39	2,313.01	-0.98
Bombay	Sensitive Index	3,449.77	3,373.53	+2.26

Source: Telekurs — International Herald Tribune

In Japan, Banks Set Cost Cuts

'Big Bang' Prompts Move by LTCB and Fuji

Compiled by Our Staff From Dispatches

TOKYO — Long-Term Credit Bank of Japan Ltd. said Monday it would cut its staff by 20 percent and close half of its overseas bases in the next two years in a bid to cut costs by 25 percent.

"LTCB's ultimate goal is to structure itself to thrive in the new financial markets to be created by the 'Big Bang,'" the bank said, referring to the coming liberalization of Japan's financial industries. Japanese banks are pushing forward with restructuring plans as they write off billions of yen in bad loans.

Fuji Bank Ltd., which forecasts a 450 billion yen ($3.6 billion) pretax loss this year, also announced plans Monday to scale back its business in the United States and Europe, and close or merge 31 branches in Japan by March 1999.

Long-Term Credit, the second-biggest of Japan's three long-term credit banks, has been plagued by dwindling profits and a ballooning bad-debt problem — nonperforming loans totaled 852.5 billion yen at the end of September. Last November, the bank said would write off 500 billion yen in bad debt and post a loss of 320 billion yen for the year to March 31.

The bank said it would reduce the number of employees to 2,800 from 3,500 in two years and slash the number of directors to 6 from 28 beginning next month.

Long-Term Credit said it would move some of the employees while restraining recruitment.

The bank will also close about half of its 40 overseas units in two years, it said.

Commercial banking operations in Europe and Asia will be consolidated into London, Hong Kong and Singapore offices, the bank said. LTCB also has operations in Paris, Frankfurt, Thailand and Jakarta.

The bank's securities units will be integrated into the network of its business partner, Swiss Bank Corp., resulting in the closing of London-based LTCB International, LTCB Switzerland and LTCB Latin America, the bank said. Long-Term Credit will also make performance-based pay a larger part of the salaries of management-level employees.

Those measures will allow the bank to reduce costs by 23 billion yen by March 2000, it said.

A spokesman for Fuji Bank, Japan's sixth-largest lender measured by assets, said it had not yet decided which of its 12 U.S. and nine European branches or offices to cut. But the business daily Nihon Keizai Shimbun reported that the bank would transfer the administrative functions of its San Francisco, Atlanta and Houston branches to its New York office and eliminate up to 40 workers. Fuji Bank will also close two or three of its branches in Europe, the newspaper said.

The bank said last year it would concentrate administrative functions in Europe and the U.S. in a few locations as part of a plan to make its business more efficient worldwide.

Long-Term Credit's shares fell 16 yen, or 4.7 percent, to 322 yen. Fuji Bank shares fell 6 yen to 920 yen. *(AFP, Bloomberg, Reuters)*

Yun Suk Bong/Reuters

Employees of South Korea's troubled merchant banks shouting slogans during a demonstration Monday in Seoul. The Finance Ministry has revoked the licenses of 10 ailing banks.

KOREA: *Seoul Scrambles to Make 'Safety Net' for Jobless*

Continued from Page 1

and retraining for those displaced by the economic crisis, the most serious here in nearly 50 years.

There are a few government benefits to help the jobless, but there is no comprehensive system. Some companies pay laid-off workers 50 percent of their salaries for as long as nine weeks. However, many of these companies had not expected the large number of layoffs they now face and have no funds to assist those workers. And for a large number of South Koreans who own small businesses, there is no fallback at all.

Lee Won Ho, vice president of South Korea's Federation of Small Businesses, said that more than half of the 2.7 million small businesses here have fewer than five employees. Many of these companies do not have the means to help support their workers when they go bust. "So far, most of the pain here is emotional, but soon, as family income runs out, the real pain will be felt," Mr. Lee said.

Roh Moo Hyun, a vice president of Kim Dae Jung's party and chairman of the legislature's Special Committee for the Prevention of Workers' Exploitation, said that despite its fiscal problems, the country "must strive to design the best unemployment package possible." Mr. Roh said that "past governments didn't pay enough attention" to the social welfare safety net but that now the country has no choice.

One of the most discussed issues in the National Assembly these days is the need for the government to help parents pay tuition for schoolchildren. Indeed, some people feel this is more important than worrying about where they will sleep, a testimony to the enormous value South Koreans place on education.

In a culture in which workers expect to be employed by the same company for life and the jobless are thought to be "losers," the emotional impact of being laid off or going bankrupt is tremendous.

Choi Dae Yeul, an official of the Federation of Korean Trade Unions, said that unions have fought hard against layoffs because of the suffering displaced workers endure. A union initiative in the coming months, he said, will be to urge that the owners of Korea's biggest companies personally finance monthly paychecks for their laid-off workers.

The chairman of the Samsung conglomerate announced recently that he would sell his personal property and empty some of this bank accounts to put tens of millions of dollars into a workers' welfare fund. Still, his offer was not seen as sufficient.

"In the U.S., when you lose your job, it is different," Mr. Choi said. "There is a welfare system; it is not seen as shame.

"We are trying to tell the IMF this: Korea is not a Western country."

Seoul Acts To Restrain Employers On Layoffs

Agence France-Presse

SEOUL — The government cracked down hard Monday on employers, issuing arrest warrants against 19 of them, in a warning shot against prevent abuse of new laws allowing mass layoffs.

Labor Minister Lee Ki Ho, speaking after the passage of laws over the weekend that ended the country's traditional practice of lifetime employment, warned of "harsh retaliation" against employers abusing the new laws.

His ministry followed up by seeking arrest warrants for 19 executives of 18 companies in the construction and travel industries and the manufacturing sector on grounds of delaying wage payments and forcing employees to relocate.

"They are currently refusing to comply with inquiries by the ministry," a ministry official told Yonhap press agency, adding that all 19 would be detained and questioned.

"Insensitive layoffs are feared to spread in the wake of passage of the law by the National Assembly," the official said.

"Our ministry will thoroughly investigate illegal labor practices and crack down through the law on those found to be committing them," he warned.

Passage of the layoff law, one of the conditions demanded by the International Monetary Fund for a $60 billion loan-guarantee package in December, was almost derailed by threats of strikes by South Korea's powerful unions.

The law contains stringent conditions including advance notification of employees being laid off and full severance payments.

The Korean Confederation of Trade Unions, which says it has about 600,000 members, said last week that 100,000 of its members would walk off their jobs Friday in protest.

Although the organization called off that strike amid a lack of public support, it has warned that it remains opposed to the laws and could take "much stronger action" later in the year.

Two labor-related suicides have been reported in the past four days, one of a worker from Daewoo Group who burned himself Friday and another of a dismissed employee who hanged himself in the port city of Inchon over the weekend.

■ 'Transparent' Derivatives

South Korean regulators will for the first time require companies to report their derivatives transactions, after banks conceded that they faced big losses on such contracts, Bloomberg News reported.

The Securities Supervisory Board said the new rules, which do not apply to current contracts, were aimed at making transactions based on derivative financial instruments "very transparent."

They come amid concern that a dispute between J.P. Morgan & Co. and several Korean companies about repayment on derivatives contracts may be just the first of many. One Seoul lawyer has said he is working on a number of similar cases involving companies that had losses on currency derivatives contracts signed with international banks.

Very briefly:

• **Royal/Dutch Shell Group** signed an agreement with China for the construction of a $4.5 billion petrochemical plant in Guangdong Province. The agreement to build an ethylene plant in Nanhai is the largest single investment by a foreign company in China to date. The project has been under negotiation since the late 1980s.

• **Mitsubishi Motors Corp.** said it had developed next-generation gasoline direct-injection engines that could substantially cut environmentally harmful gas emissions and planned to install the engines in all its cars, including minivehicles, by 2010.

• **Toshiba Corp.** will stop producing 16-megabit dynamic random-access memory chips by April 1999, more than a year earlier than originally planned, because of tumbling prices.

• **Malaysian** inflation quickened in January, with consumer prices rising 3.4 percent last month from a year earlier, compared with a 2.9 percent increase shown a month earlier.

• **Canon Inc.**'s 1997 net profit rose 26 percent, to 118.81 billion yen ($948.9 million), on strong sales of digital and copying machines. The company said profit should rise to 125 billion yen in 1998.

• **Groupe Danone** has cash reserves of 5 billion French francs ($820.5 million) and is interested in acquisitions in Asia where assets are being sold cheaply, its chairman, Franck Riboud, said. "This is just what we have been waiting for," he said in an interview with La Tribune.

• **Credit Suisse First Boston** plans to buy the 75 percent of **First Pacific Stockbrokers** in Australia that it does not already own.

• **Hopewell Holdings Ltd.**'s chairman, Gordon Wu, said he would not privatize the company unless necessary. "Unless absolutely I have to, I will not," he said.

• A Thai poll conducted by the Rajabhat Institute said 47 percent of the 225 beggars it surveyed in Bangkok and its suburbs said their daily incomes had dropped by more than half from a year ago. *Bloomberg, Reuters, AFP, AFX, AP*

3 More Join APEC Session

Agence France-Presse

PENANG, Malaysia — Russia, Vietnam and Peru joined the Asia-Pacific Economic Cooperation forum as official observers here Monday ahead of their full entry into the group in November, officials said.

President Boris Yeltsin of Russia is expected to take part in the group's summit meeting in November, as are Prime Minister Phan Van Kai of Vietnam and President Alberto Fujimori of Peru.

Russian, Vietnamese and Peruvian delegates took up their positions as observers as senior officials of the group opened the first of three meetings to prepare for this year's summit in Kuala Lumpur.

The 18 current APEC leaders agreed at their summit meeting in Vancouver in November to grant full membership to the three countries.

APEC includes Australia, Brunei, Canada, Chile, China, Hong Kong, Indonesia, Japan, South Korea, Malaysia, Mexico, New Zealand, Papua New Guinea, the Philippines, Singapore, Taiwan, Thailand and the United States.

JAPAN: *Parliament Approves Bank Stabilization Package*

Continued from Page 11

Mr. Fiorillo said. The new problems are erupting as Japan, Asia's largest economy, faces increasing pressure to revive its stagnant economy to help the region recover from its economic crisis.

Commerce Secretary William Daley met with a number of Japanese officials Monday and echoed comments made by a litany of other U.S. officials recently, saying that Tokyo must spur domestic growth to help troubled Asian economies recover.

But so far, there is little indication that Tokyo plans any big move to increase domestic demand. A new economic stimulus package, scheduled to be unveiled Friday by the governing Liberal Democratic Party, is not expected to include any large-scale public-works spending or tax cuts, despite earlier hints that it would be a big spending package.

Prime Minister Ryutaro Hashimoto, in a speech to Parliament, said Monday that he was prepared to take measures to rescue the economy, but he also stressed the importance of fiscal reform. He focused on the potential impact of the bank stabilization bill and a recently enacted $15.9 billion income-tax cut.

In response, Tokyo stock prices closed lower for a third consecutive trading day. The benchmark Nikkei 225-stock index finished at 16,775.52 points, down 15.49 points, or 0.09 percent.

Without a greater government stimulus, the parade of bankruptcies and weak consumer spending is expected to continue. Teikoku Databank, a credit research agency, said Monday that more than 1,500 bankruptcies were reported last month, a postwar high for January.

"Potential bad loans may be increasing," said Naohito Hasegawa of Nikko Research Center.

Department store sales in Tokyo fell 5.6 percent in January after plummeting 6.2 percent in December. Japanese depositors are pulling their money out of weak institutions in record numbers, according to the Nihon Keizai Shimbun, which reported that sales of home safes were soaring.

The two banking measures passed Monday would allocate $135 billion to strengthen the deposit insurance fund for deposits. The other law would enable the government to buy $103 billion of preferred stocks and subordinated bonds to be issued by banks to bolster their capital bases.

Yukiko Ohara, a UBS Securities analyst, said the general approach of injecting capital into banks was flawed because it appeared to focus on "resolving the immediate crisis" rather than on the industry's long-term structural problems.

The financial stabilization plan focuses on increasing banks' capital rather than on setting strict requirements for them to account for bad loans and improve profitability, analysts said.

A screening committee including the finance minister and the governor of the Bank of Japan will evaluate preferred-stock proposals submitted by the banks. Sei Nakai, a top banking official in the Finance Ministry, said the committee was scheduled to meet Friday to begin setting criteria for evaluating the applications.

The committee has promised its procedures will be transparent and its criteria objective to avoid charges of corruption, but analysts are skeptical.

"Their priority is preventing bankruptcies," said Yoshihiko Kamata, a Nomura Securities Co. banking analyst, "rather than disclosure. They probably could not force disclosure in fear of causing too much anxiety."

INDONESIA: *IMF Face-Off*

Continued from Page 1

But officials in Jakarta said restoring some of the lost value of the rupiah was essential to prevent many heavily indebted companies and banks that had lent too much from collapsing.

They said the IMF's economic austerity and reform program, which Mr. Suharto personally endorsed last month in exchange for emergency loans of as much as $43 billion, had not helped to restore business confidence or stabilize the currency.

"Our priority is to bring the rupiah back to reasonable levels," said Ginandjar Kartasasmita, the national development planning minister, at a parliamentary hearing in Jakarta on Monday.

In Asian trading Monday, the dollar rose as high as 10,800 rupiah — compared to 2,500 rupiah in July — as news spread that the IMF's managing director, Michel Camdessus, had sent a letter to Mr. Suharto threatening to halt further payments of loan installments if the currency board system went ahead.

The dollar gave back some of the gains by the end of the day as it fell to a range of 9,000 to 9,700 rupiah. But it was still up sharply from its Friday close of 8,200.

In preparing legislation to establish the currency board, the Indonesian government is reported to be considering a peg of 5,000 to 6,000 against the dollar. Although such a level would help curb the cost of imported food and other items and would assist some companies to service their foreign debts, critics say it is an unrealistic target that could not be sustained for long.

Mr. Suharto, who is 76, is expected to be chosen unopposed for a seventh five-year term in office when an electoral college he effectively controls meets in Jakarta early next month.

The retired army general has built his political authority on stability and economic development. Analysts say that he is desperate to prevent the collapse of his legacy after more than three decades in power.

Mr. Habibie, who is 61 and a longtime protege of Mr. Suharto, emerged as the clear front-runner as vice president Monday after Harmoko, the speaker of Parliament who had also been backed for the post by the ruling Golkar party, announced that he was withdrawing his name to allow the party to unite behind the German-trained aeronautical engineer.

Indonesia's other two legal parties have also backed Mr. Habibie, while the powerful military has indicated that it will endorse him if he is chosen by Mr. Suharto.

Stanley Fischer, the IMF's first deputy managing director, last week implicitly criticized the candidacy of Mr. Habibie, while the IMF has also clipped Mr. Habibie's wings by insisting that there be no state funding of his pet projects, which include a venture to build a national jet plane at an estimated development cost of $2 billion.

"Mr. Habibie is associated with high-tech, high-expense projects like the national jet, which have drained fiscal resources," said Donald Hanna, co-director of Asian economic research in the Hong Kong office of Goldman, Sachs & Co.

Top 2 Pay-TV Companies in Thailand to Merge, Dwarfing Competition

By Thomas Crampton
International Herald Tribune

BANGKOK — Thailand's largest pay-television operators agreed Monday to merge, creating a new company that holds an effective monopoly of the nation's cable television industry.

The merger of International Broadcasting Corporation Public Co. and its former rival, UTV Cable Network Public Co., dwarfs the country's third cable operator and comes as broadcasters face soaring costs for imported television programs with the fall of the baht.

The deal calls for IBC, a piece of the Shinawatra Group, to buy a stake of UTV, a Telecom Holding Co. subsidiary. Telecom Holding, in turn, will buy into IBC.

It is the highest profile corporate merger to take place since Thailand's economic crisis started in July.

"This is a defensive maneuver," said Soopakij Chearavanont, the chief executive of UTV, who will head the new company. "If we merge now we can come out with a strategy and with tactics to stay in business through the hard times."

In the period since the crisis began in July, the plug was pulled on a satellite transponder for the country's third pay TV operator, ThaiSky TV, when the company failed to pay its bill.

IBC executives said that the new company, as yet unnamed, will start with a subscriber base of about 300,000, with 60 percent coming from UTV and the remainder from IBC.

The new company will consolidate the purchasing of programs but keep two separate delivery technologies. UTV arrives in direct to home cable while IBC is beamed down from a satellite.

Boonklee Plangsiri, group vice chairman of Shinawatra Group, would not say how many jobs might be lost as a result of the merger, but he did say reports that 900 jobs would be cut were exaggerated.

Government regulators have approved the deal in principle, saying the merger will allow for a doubling up of resources in tough times, fewer baht spent overseas in bidding competition between rival channels and increased investment in locally produced programming.

Orasa Khunawat, director-general of the Mass Communication Organization of Thailand, said that the government approval was granted on condition that the operators increase the amount of local programming.

Thailand's cable companies have kept local content at about 10 percent of total broadcast time.

MOBILE COMMUNICATIONS: THE THIRD GENERATION

A REVOLUTION IN THE MAKING

Third-generation mobile systems are the basis for a truly wireless information society.

The idea of "any information, anywhere, anytime," is fast becoming a reality. Manufacturers and operators of mobile communications systems and services, along with new global and regional satellite companies, are moving rapidly to provide their subscribers with high-speed access to electronic mail, the Internet and full-motion video as well as to the circuit and packet switching systems, intranets, short messaging and paging services that can make business more efficient and competitive.

Both individuals and corporate users will be able to "roam" the globe, unhindered by the limitations of home networks, while the convergence of mobile and fixed-line telecommunications will help to reduce the cost of equipment and services and improve usage and coverage.

Two important international developments have helped to promote the introduction of wireless multimedia by the turn of the century: agreement by the European Telecommunications Standards Institute (ETSI) in January on a radio-interface standard for the third-generation system, known as Universal Mobile Telecommunications System (UMTS), and the expansion of existing second-generation systems through "smart," or "intelligent" networks (IN) that improve data transmission speeds and provide access to sophisticated software and customized services. Innovations in the design and manufacture of hand-held sets and terminals are also adding to usability and functionality, making it more likely that mobile phones will become the preferred way to access a range of multimedia services. These developments are geared to allow current GSM (Global System for Mobile Communications) systems to evolve toward UMTS.

Global vision

The vision of a common international strategy for the development of third-generation mobile systems has been developed over a three-year period by the GSM MoU Association and other key organizations. Just over a year ago, an open and independent organization, the UMTS Forum, was founded in Zurich, Switzerland by 56 leading manufacturers, operators, regulators and IT companies. This followed the designation in 1992 of the 2 MHz frequency bands that are to be used for the new systems and which will be implemented by the International Telecommunication Union within the International Mobile Telecommunications framework starting in the year 2000 (IMT-2000).

The UMTS Forum aims to combine personal communications with multimedia services and applications built on existing fixed and mobile infrastructures. Working with ETSI, the European Commission and the European Radiocommunication Office, as well as national regulatory bodies, the forum has welcomed the ETSI move, which establishes the UMTS Terrestrial Radio Access, or UTRA, standard for the radio interface in third-generation systems. "We are now taking parallel steps to bring UMTS into service" around the world, says the forum's vice chairman and treasurer, Chris Wildey of Nokia.

Operators working with the existing GSM standard — used by more than 66 million people — have also welcomed the ETSI agreement, which is designed to ensure a common radio interface for the provision of third-generation services for their 239 networks in Europe, North America, the Middle and Far East. Adriana Nugter, chairman of the GSM MoU Association, which represents the operators as well as regulators, said the association is now moving to ensure that standards for transmission of UTRA are coupled with measures to ensure open standards and open interfaces for the further evolution of GSM.

"We have the leverage to make open standards happen and we are setting the technical requirements," she says.

ETSI and the association have already worked together to promote Customized Applications for Mobile Enhanced Logic (CAMEL), a technology that combines IN with GSM. Several phases are envisaged, but the first, Release 97, should come out in March. It will provide packet switching and fast Internet access across the range of frequencies — 900, 1800 and 1900 MHz — used by GSM operators and will enable the transfer of data links of up to 64 kilobits per second. This is the first of many steps aimed at improving partnerships between GSM operators, which, along with the new technology, can also ensure that roaming subscribers have access to the same level of services as they do on their home networks.

Meanwhile, the installation of new low- and medium-level satellite systems by international consortia such as Iridium, Globalstar and ICO will help to ensure that subscribers in rural and remote areas are not left out. Similarly, the development of advanced digital switching technology, like Lucent Technologies' 5ESS version, which has been hugely successful in the United States, is helping to integrate mobile systems using different standards across the globe and to promote convergence between mobile and fixed-line networks.

Pamela Ann Smith

INTELLECTUAL PROPERTY RIGHTS

Mobile operators welcomed the agreement by the European Telecommunications Standards Institute (ETSI) setting the UTRA standard for third-generation mobile systems, but operators of the system most widely used today, the Global System for Mobile Communications (GSM), want further moves to ensure that they will be able to provide the most advanced services in a cost-effective way. While UTRA defines the preferred radio interface for transmission, the 256 members of the GSM MoU Association have emphasized that the radio interface should not be burdened with Intellectual Property Rights (IPR) constraints. This would also guarantee open interfaces for the evolved GSM platform. "It is our firm belief that this is an important condition to ensure the successful continuation of the GSM footprint," says the association's chairman, Adriana Nugter. At the ETSI meeting, it was decided to set up a pool of wireless communications manufacturers to discuss IPR — the patents and licenses that cover new developments in infrastructure and handset technology, software and services. This followed the launch of a survey by GSM MoU asking the manufacturers to outline their policies on ownership of IPR. "We feel very strongly that any GSM MoU endorsement of third-generation standards should be conditional on a satisfactory IPR situation," Ms. Nugter says. The aim of the survey is to ensure that IPR is provided in a fair, reasonable and non-discriminatory way. The chairman of ETSI's Special Mobile Group (SMG), Friedhelm Hillebrand, says: "I think everybody wants more assurances regarding IPR. "Manufacturers "can work together to pool their licensing rights," resolve issues of cross-licensing and set up measures to compensate smaller research organizations that fear losing their proprietary rights in a system of open standards.

P.A.S.

LAUNCH OF A TRULY GLOBAL STANDARD

Industry leaders back landmark ETSI decision.

The agreement reached by the European Telecommunications Standards Institute (ETSI) on January 29 on a new radio interface for third-generation mobile systems has been heralded by manufacturers, operators and regulators. It is especially welcome because it will allow a competitive migratory path from the Global System for Mobile Communications (GSM) standard developed in Europe to the next-generation Universal Mobile Telecommunications System (UMTS).

"We are pleased with ETSI's decision to back this optimal UMTS technology solution, which will facilitate an open global system," the president and CEO of Nokia, Jorma Ollila, says of the decision reached by the Institute's Special Mobile Group (SMG) in Paris. "It will be beneficial to equipment manufacturers, operators and end-users globally. UMTS ensures a secure migratory path for existing GSM operators as it is the most widely used and proven core network technology."

The UMTS Forum —which represents operators, manufacturers, regulators and other organizations from around the world and seeks to promote third-generation technology — was particularly pleased that operator requirements worldwide, including those of Japan and North America, played a significant role in the decision.

The agreement, notes the forum's chairman, Thomas Beijer, indicates that "the competing manufacturers have shown a constructive attitude in reaching a consensus and agreeing to a framework for the next phase of detailed standardization in a spirit of cooperation."

Adds Vice Chairman Chris Wildey: "We would like to see other countries taking similar steps so we can go ahead with licensing and spectrum allocations, and not just in Europe."

Adriana Nugter, chairman of the GSM MoU Association, which currently represents 256 GSM administrators, regulators and network operators around the globe, adds: "We are very happy with this agreement as it sets out a common working basis to define the UTRA standard and means that we can now move forward. We will continue to input our requirements into the ETSI standardization process."

Broad consensus

The agreement, which was initiated by the world's leading communications manufacturers, including Alcatel, Ericsson, Nokia, Siemens, Italtel, Fujitsu, Sony, Matsushita, Mitsubishi Electric, NEC, Siemens, Motorola and Nortel, combines the advantages of two advanced technologies — wideband code-division multiple access (W-CDMA) and its time-division variant, TD-CDMA — in a new standard called UTRA (UMTS Terrestrial Radio Access). It will "support operation in a spectrum allocation as small as 2 x 5 MHz and should also be designed for broader spectrum allocation to satisfy the capacity and service requirements outlined by the UMTS Forum and the GSM MoU Association," ETSI officials say.

NTT DoCoMo, the leading Japanese cellular network operator, participated in the meeting and also welcomed the solution reached, as did a host of other leading mobile communications and equipment companies such as Cegetel, France Telecom, CSEM/Pro Telecom, Deutsche Telekom, Mannesman Mobilfunk, Samsung, Telia, T-Mobil, Telecom Finland, Cellnet, Vodafone, Telecom Italia Mobile (TIM), Analog Devices and Texas Instruments.

The road ahead

The next stage will involve the further refinement of the radio transmission details for UTRA, said the chairman of ETSI SMG, Friedhelm Hillebrand, in mid-February during a trip to Japan to coordinate research and procedures with NTT DoCoMo, NEC and other Japanese companies with interests in third-generation systems.

ETSI must now "provide the specifications for services and resolve the network aspects," he noted, "especially in terms of the bridging and base station network." Current plans call for the work to be completed by the end of June.

ETSI's swift agreement on the UTRA standard, despite the conflicting interests of manufacturers, will help speed the arrival of the new third-generation systems, now due to be introduced by the year 2001 in Japan, 2002 in Europe and later in the United States. It marks a major advance in combining wireless systems and multimedia, not least because it will allow high-speed data transmissions at rates of up to 2 megabits of informatioo per second. The second-generation GSM systems in use today allow a maximum transmission speed of 64 kilobits per second; in the next year, further enhancements are foreseen.

As a result of this move, European and Japanese companies will be firmly positioned to compete within the International Telecommunication Union's third-generation International Mobile Telecommunications 2000 (IMT-2000) framework, which defines a new radio interface in the 2 GHz band. End-users around the world will then be able to benefit from a consistent quality of service and coverage for voice, data, graphic and video-based information, independent of their own home access network.

P.A.S.

GSM WORLD CONGRESS OPENS TODAY

"Innovating for National and Global Leadership" is the theme of the 12th annual GSM World Congress, which opens today in Cannes and runs through Feb. 19.

Organizers expect more than 3,000 delegates from 75 countries. More than 170 international speakers and panelists, including operators from 31 countries, will discuss technical issues and business strategy. An exhibition area will feature 130 companies and 18 interactive panels with 82 industry experts. Highlighting the conference will be an opening panel discussion involving some of the leading figures in mobile telephony: Kurt Hellström, president, Ericsson Radio Systems; Don Warkentin, president, Aerial Communications; Adriana Nugter, chairman, GSM MoU Association; Matti Alahuhta, president, Nokia Telecommunications; Matti Makkonen, executive vice president, mobile, Telecom Finland; and Vito Gamberale, CEO, Telecom Italia Mobile. Issues to be addressed over the course of the three days include marketing, cost control, data transmission, innovations in handsets and networks, emerging technology trends, integration and substitution with fixed line networks, and more. Two key topics will be the next generation of GSM and multimedia applications, both part of the larger issue of standards for GSM mobile telephony in the future. Although the conference will not set standards, it will provide a lively forum for discussion of the subject. The impact of the Internet is also a subtext of formal presentations, and a new research report by Ovum, "Mobile Internet and Intranets," will be available free to all conference delegates.

GSM MoU Association on the Web: www.gsmworld.com
ETSI on the Web: www.etsi.fr
UMTS Forum on the Web: www.umts-forum.org

C.F.

MOBILE COMMUNICATIONS: THE THIRD GENERATION

TECH-SAVVY CONSUMERS WANT SMART PHONES

New handsets take on the mobile multimedia challenge.

At the beginning of mobile telephony, the selling point for a cellular phone was simply its mobility. Today, with more than 158 million cellular users worldwide, mobile operators must offer innovative services to distinguish themselves from their competitors and increase both customer loyalty and air-time usage.

"Multimedia features — the addition of data, audio and video to voice communications — may be the "killer applications" that will accomplish these objectives.

"Better connectivity for laptop and PDA users, as well as information services delivered right to the phone screen, represent the largest service growth potential for established networks," says Petri Pöyhönen, vice president, wireless data systems, Nokia Telecommunications. "Being first to market with wireless data solutions will make it possible for an operator to sustain a significant competitive edge over later market entrants."

Today, industry analysts estimate that less than 5 percent of traffic over GSM (Global System for Mobile Communications) cellular phone lines is data. One reason was technological: in the past, GSM generally had a data rate limited to 9.6 kilobits per second (kbit/s), and multimedia applications are notoriously bandwidth-hungry. However, the European Telecommunications Standards Institute (ETSI) and GSM operators have addressed this problem by the development of General Packet Radio Service (GPRS), which allows the transmission of data traffic at speeds of up to 64 kbit/s, a sufficient speed for sending and receiving e-mail and allowing access to the Internet.

Another obstacle is practical: ease of use and functionality. Telephone keypads are too small to execute complex commands, and a tolerably sized telephone screen is not large enough for some multimedia displays.

A third stumbling block is the very speed with which the mobile data market is moving; what will the telephone of the year 2000 look like? Will the killer applications be delivered over a hyper-powered telephone, like the Alcatel One Touch Com, or a telephone-cum-computer, like the Nokia 9000i, which includes a GSM phone, short message service (SMS), e-mail, Internet access and personal organizer? Or will the combination of laptop or PDA (personal digital assistant) and a mobile phone be the most practical approach? Martin Illsley, director of technology vision and research for Andersen Consulting Europe, favors the latter solution. "The advantage is more modularity, plus you aren't locked into a set of standardized solutions," he says. "Already today I can browse the Internet and send and receive faxes and e-mail with my cellular and palmtop PDA."

Mobile operators are keen to go beyond voice to such personalized services because that is where the profits are.

"The money isn't in voice, it is in data services," says Andersen's Mr. Illsley. "They are the differentiator, because voice connection is a commodity." He believes that by 2005, mobile will be carrying 90 percent data and 10 percent voice.

An International Data Corporation (IDC) survey of mobile phone owners in Germany, the Netherlands and Britain, released earlier this month, found that respondents expect to be using their handsets to send and receive e-mail, access corporate databases and view moving videos by the year 2000. Two-thirds of these tech-savvy consumers believe that Internet access will be available with their phones, and more than a third await financial information over their handsets.

The way to accomplish these tasks without transforming a handset into an undersized PC is by putting much of the intelligence on the network. Philip Terrett, global business manager for Nortel's new Java-based Orbitor mobile phone, emphasizes that the Orbitor was designed as "a network telephone, because it is always using the network."

Due to be launched this spring, it features a touch-sensitive screen that can both display information and convert to a "keypad" to access services. It will allow users to be "on-line" at all times and will alert them to incoming e-mail or customized information such as stock prices, weather reports or football scores.

Claudia Flisi

More than a telephone: Today's handsets include short message service (SMS), e-mail, Internet access and personal organizers.

THE SKY'S THE LIMIT FOR SATELLITE NETWORKS

Satellite services are coming to a mobile phone near you.

Information superhighways may be today's buzzword, but the supporters of satellite-based telecommunications systems know that it is already out of date now that the skies can provide unlimited transmission networks that are both global and universally accessible, especially when linked to small mobile hand-held phones as well as to computers and TVs.

Global Mobile Personal Communications by Satellite (GMPCS) promises to deliver the once-elusive concept of "any information, anywhere, anytime" and will play a key role in the new Universal Mobile Telecommunications System (UMTS). Industry analysts estimate that there are about 30 million potential customers around the world for the new satellite-based mobile telephone systems about to be marketed by a number of international consortia, including Iridium, launched by Motorola; ICO Global Communications, founded by Inmarsat; and Globalstar, led by Loral and Qualcomm.

This is due in large part to the fact that the new satellite systems will provide links to the 66 million people around the world who use the GSM (Global System for Mobile Communications) digital standard for mobile phones and to the hundreds of terrestrial networks operated by GSM members. Although existing satellite networks have been used primarily for the transmission of television signals and by international telecommunications organizations, as well as for military purposes, their positioning in geostationary orbits some 36,000 kilometers above the earth's surface has limited the number of users per unit area and kept costs relatively high. The newer satellite systems use medium-earth orbits (MEO) or low-earth orbits (LEO) with flight paths 400 to 12,000 kilometers above the earth's surface. This allows each satellite to provide stronger signals with less time delay and less echo. Costs are lowered for both operators and end-users, who will also benefit from the ability to "roam" easily from one satellite footpath to another. And, in addition to current GSM roaming capabilities, satellite networks will allow GSM customers enhanced global roaming. The signals can also be received on much smaller receivers, such as mobile handsets and portable satellite telephones, eliminating the need for satellite dishes and extra decoding equipment. This will facilitate their use by personal subscribers, who will benefit from both up- and downlinks, making interactive, multimedia access from mobile phones a cost-effective reality.

Iridium is expected to be the first off the mark with the launch of its "constellation" of 66 LEO satellites spanning the globe. Services are due to be introduced later this year through five "gateways" that will combine Iridium's worldwide reach with land-based wireless systems. Australia gave Iridium a license for its spectrum last June and is now expected to be one of the five gateways as traffic builds up.

"When the service is up and running, Iridium will be able to provide a dial tone to every square inch on Earth, and each user will have a single number, a single bill and a single contract," says the minister for communications and the arts in Canberra, Richard Alston. "These services," he adds, "will allow all Australians, especially those in regional and rural areas, to maintain contact with the rest of the world using hand-held phones, irrespective of whether they're standing still in Alice Springs, skateboarding down St. Kilda pier or driving across the Nullarbor." **P.A.S.**

INTELLIGENT NETWORKS: GETTING UP TO SPEED

IN and CAMEL provide fast data rates and customized services.

While voice messages dominate mobile communications today, future growth is expected to be dominated by rising data traffic, especially as the demand by end-users for multimedia services grows. This is creating pressure on operators to install "smart" or "intelligent" networks (IN) that can handle sophisticated technology, software and customized services. End-user demand for "roaming" while traveling away from home networks is adding to this pressure, as is the increasing move toward dual-band, rather than single-band, markets. GSM (Global System for Mobile Communications) operators, who are expected to have some 100 million subscribers around the world by the end of this year, began combining their efforts to add the benefits of IN to their networks in the mid-1990s. Last February, they produced their first set of pan-European standards, known as CAMEL (Customized Applications for Mobile Enhanced Logic).

The latest agreement on CAMEL, Release 97, is due to be announced in March, says Friedhelm Hillebrand, chairman of the Special Mobile Group (SMG) at the European Telecommunications Standards Institute (ETSI). It will feature General Packet Radio Service (GPRS) and allow efficient and fast Internet access across the widely used GSM 900 and DCS-1800 frequencies, as well as the GSM 1900 frequency in the United States.

"The main work ahead is to refine and further elevate GSM," adds Mr. Hillebrand, noting that discussions on Release 98 have already begun.

Says Alun Lewis, a corporate communications representative for Nortel: "IN technology plays a vital part in creating and delivering services across mixed environments, particularly in evolving services that will help fixed and mobile operators differentiate themselves and compete against others in the marketplace."

Eric Tholome, Nortel's Paris-based specialist in IN and CAMEL, who has helped develop the Canadian company's Service-builder system, says it includes "the entire IN solution" — service control, management, an environment to create new services and a tool to provision service orders. In addition, it provides for intelligent peripherals that can "interact with the end-user," enabling operators to provide enhancements such as voice recognition and noise recording.

CAMEL, Mr. Tholome says, "allows the IN platform to retrieve the subscribers' status and location at any time." GSM operators can also bridge the gap between IN and short messaging to provide sponsored calls directed at specific market segments, such as teenagers who can be charged lower fees for calls in return for listening to advertiser promotions. "We are making this available now to all our GSM IN customers," he adds.

"If you look at the development of smart phones, the key is not just the terminal, but the services you can provide," says Steve Bell, director of global products for Motorola of the United States, the world's largest manufacturer of mobile telephone equipment. "We're beginning to forge relationships with people who develop services. That's a key issue for development." He adds: "Like the Internet, you get a rapid explosion as soon as these services develop."

As a result, IN's emphasis is changing from technology to the market, says Barry Flanigan, a consultant for London-based consultants Ovum. The market for three key IN services — freephone, premium rate calls and virtual private networks (VPN) will grow to over $33 billion a year by 2003, Ovum estimates.

"Revenue from usage of IN services by mobile customers will also grow rapidly," says Mr. Flanigan. "By 2003, it will be approaching the level of residential customers."

In Ovum's view, mobile operators, like fixed-line operators, can benefit from "the rapid roll-out of services, a degree of vendor independence and low-cost service implementation" through an increasing application of IN.

In addition, they will benefit from easier mobility management, reduced fraud, interoperability with fixed networks, the delivery of enhanced services to roaming subscribers and the development of location-based services, whose features are determined by the location of the mobile subscriber.

Significantly, however, Mr. Flanigan notes that the successful extension of IN to mobile operators will depend on the provision of open interface products that allow operators to "interwork between the products" offered by vendors, the provision of low-cost IN options — such as service nodes, leasing and/or revenue sharing — by equipment and software providers and infrastructure manufacturers and suppliers, and by the development of partnerships with other equipment suppliers, so that the partners can capitalize on each other's expertise and client base.

As the deployment of IN- and CAMEL-based services accelerates, the rapid evolution of standards will be essential if IN is not to be overtaken by alternative technologies. Release 98 will need to take this into account, moving from expensive, proprietary platforms to more open, flexible platforms such as those used in the computing industry, Ovum concludes. **P.A.S.**

"MOBILE COMMUNICATIONS: THE THIRD GENERATION"
was produced in its entirety by the Advertising Department of the International Herald Tribune.
WRITERS: Pamela Ann Smith in London and Claudia Flisi in the South of France.
PROGRAM DIRECTOR: Bill Mahder.

Herald International Tribune
SPORTS

WORLD ROUNDUP

Glasgow Rangers Hires Dutch Coach

SOCCER The nine-time defending Scottish champions, Glasgow Rangers, named Dick Advocaat oo Monday to replace Walter Smith as the team's head coach beginning July 1.

Advocaat, 50, now coaches PSV Eindhoven of the Dutch league and is a former Dutch national coach. He is in his fourth season at PSV, and is under contract to the club until the end of next season. But a clause allows him to leave early.

Advocaat led the Dutch national team to the quarterfinals of the World Cup in the United States in 1994. *(AP)*

Mahmood Lifts Pakistan

CRICKET Azhar Mahmood hammered a career-best 136 to prop Pakistan to 329 in the first cricket test against South Africa on Monday in Johanneshurg.

The visitors were bowled out 35 runs adrift of South Africa's 364. Bad light stopped play before South Africa could resume its second innings on the third day, despite the use of floodlights.

Mahmood, the 22-year-old all rounder from Rawalpindi, scored his second century against South Africa and led a batting recovery with Moin Khan, who made 46 runs. Mahmood and Khan shared 107 runs for the sixth wicket as Pakistan recovered from a top-order collapse that had them struggling on 112 for five. *(AP)*

Caray Remains Critical

BASEBALL The Hall of Fame baseball broadcaster Harry Caray, 78, remained in critical but stable condition Monday after collapsing during a Valentine's Day dinner with his wife.

Officials at Eisenhower Medical Center in Rancho Mirage, California, would not release further details about Caray's condition at the request of his family, a hospital spokesman, Jim Ellis, said.

Caray's son-in-law, Coley Newell, said Suoday that Caray was still unconscious but breathing on his own. "The feeling amongst the family is that there's no grave concern yet," he said. "Anybody that knows Harry knows how tough he is." *(AP)*

Giants to Release Brown

FOOTBALL Four mooths after losing his starting job, Dave Brown has lost everything with the New York Giants.

The Giants told Brown to start lonking for work on Suoday, less than 24 hours after signing a free-agent quarterback and former Giant, Kent Graham, to a reported three-year contract.

Brown, who never lived up to the expectations the Giants had when they drafted him in 1992 using a supplemental first-round draft pick, was not immediately available for comment.

His future with the Giants had been in doubt since last season ended. He had been the team's starting quarterback from 1994 until being replaced by Danny Kanell after the sixth game of this past season.

New York failed to make the playoffs in Browo's three years as a starter. After Kanell took over, New York got hot and made the playoffs for the first time since 1993. *(AP)*

- Bryce Paup reportedly became the NFL's second-highest-paid linebacker, signing a $21.8 million, five-year contract with the Jacksonville Jaguars.

Paup, the 1995 NFL defensive player of the year with Buffalo, was expected to be in Jacksonville on Monday to announce the deal, the Florida Times-Unioo reported.

He will make an average of $4.3 million a season, putting him behind only San Diego's Junior Seau among NFL linebackers. He will receive a $6 million signing bonus and base salaries of $925,000, $2.85 million, $3.45 million, $3.9 million and $4.5 million, the Times-Union reported. *(AP)*

Barkley the Abstinent

After Pledge to Quit Drinking, He Sinks Lakers

The Associated Press

Charles Barkley hit a 20-foot jumper with 3.6 seconds left to lift the Houston Rockets to a 90-88 victory over the Los Angeles Lakers.

Before the game, Barkley had told a U.S television audience that he intended to quit consuming alcohol. "I've got to stop drinking," he said. "I drink way too much and it has been affecting my game."

In elaborating on his drinking problem after the game Sunday, in which he scored 26 points, Barkley said he was wearing his body down and not being consisteot. He said he was not pressured by teammates or coaches, and that now wheo he went out to bars, be usually drank soda. "I owe the people I work for an honest effort," he said.

He gave them one Sunday. And so did a sick Matt Bullard and a persistent Clyde Drexler.

After a dreadful shooting performance, Drexler made a critical three-point play in the final four minutes and Bullard scored nine of his 11 points from behind the 3-point arc.

Hakeem Olajuwon added 13 points and 11 rebounds for the Rockets, who won for the fourth time in their last six visits to the Great Western Forum and avoided a four-game seasoo sweep by the Lakers.

Shaquille O'Neal, Rick Fox and Kobe Bryant each scored 18 points for the Lakers, who fell three games behind their division rival Seattle in the race for the NBA's best record. The loss was their first in 18 games this season against Midwest Division teams.

Drexler, who missed his first nine shots from the field and finished 2-for-16, put the Rockets ahead 84-82 when he drove the left baseline for a layup and was fouled for his three-point play with three minutes left.

"They played great defense all day and made sure I didn't hurt them," Drexler said.

NBA ROUNDUP

Heat 116, Raptors 95 In Toronto, Alonzo Mourning scored 31 points as Miami rolled over the Raptors, who dressed an NBA minimum eight players for the game.

The Raptors were without Gary Trent, Alvin Williams and Kenoy Anderson, all acquired Friday in a trade with Portland. Anderson has oot yet reported to his new team while Trent and Williams did not complete their physical exams by game time.

Voshon Lenard scored 13 of his 25 points in the third qnarter when the Heat pulled away. John Wallace led Toronto with 27 points, while Doug Christie and Tracy McGrady each added 17.

Timberwolves 105, Mavericks 99 In Minneapolis, Stephon Marbury scored nine of his 23 points in overtime, and two reserves, Sam Mitchell and Terry Porter, led a charge that saw Minnesota's bench players outscore the Dallas reserves, 48-23.

Mitchell had a season-high 25 points, while Porter had 17 points, eight rebounds and nine assists.

Michael Finley scored 31 points to lead the Mavericks, who fell to 3-23 on the road after snapping a 22-game road losing streak Friday night at Indiana.

Bulls 99, Pistons 90 In Chicago, Toni Kukoc, a surprise starter after Dennis Rodman missed practice, scored 22 points and the Bulls withstood the late 3-point shooting of Lindsey Hunter.

Hunter had five 3-pointers and 19 points in the fourth quarter, belping Detroit close to 74-70 and 95-90 before the Pistons lost for the 18th time in their last 19 games against the Bulls.

Michael Jordan added 21 points and had 12 rebounds, while Scottie Pippen had 20 points for the Bulls.

Golden State 101, Boston 87 In Oakland, Donyell Marshall scored a season-high 30 points and grabbed 13 rebounds as Golden State ended its 11-game home losing streak.

Antoine Walker's 26 poiots and 12 rebounds led Boston.

Knicks 102, Cavaliers 91 In New York, Allan Houstoo scored 22 of his seasoo-high 34 points in the third quarter for New York.

Shawn Kemp had 30 points and 17 rebouods for the Cavs, who were outrebounded 45-38 despite the absence of New York's Charles Oakley, who served a suspension for flagrant fouls.

Kings 88, Wizards 86 In Sacramento, Mitch Richmond's jumper with 91 seconds left boosted the Kings to victory. Corliss Williamson scored 24 points and Mahmoud Abdul-Rauf had 10 for the Kings.

Tracy Murray scored 29 points and Strickland had 20 points and 10 assists for Washington, who played without Chris Webber and Juwan Howard, its injured forwards.

Trail Blazers 117, Nuggets 82 In Portland, Isaiah Rider scored 31 points to lead the Trail Blazers, who played without new additions Damon Stoudamire, Walt Williams and Carlos Rogers.

The six-player trade with Toronto was held up until results of the physical exams taken by Alvin Williams and Gary Trent were received by the Raptors.

Portland's Jermaine O'Neal had a career-high 21 points and nine rebounds in his first NBA start. Johnny Newman led Denver with 21 points.

Michael Tweed/The Associated Press

Charles Barkley of the Rockets, center, trying to drive past Shaquille O'Neal of the Lakers, right.

John Todd/The Associated Press

Agassi firing to Sampras: "I feel I'm strong, and I'm reacting to the ball."

Titanic Soccer Struggle

Mexico Downs U.S., 1-0, in Gold Cup Final

By Grahame L. Jones
Los Angeles Times Service

LOS ANGELES — Those lights in the sky near the Coliseum were not fireworks. They were the distress signals sent up hy a sinking ship.

Just a minute or so before half-time in the Gold Cup final between the United States and Mexico on Sunday night, the U.S. team hit its iceberg.

A defender, Alexi Lalas, lost track of the ball. A Mexican forward, Javier Lozano, nipped in and stole it, then swung a pass out to Salvador Carmooa on the right wing.

Carmona didn't hesitate. He crossed the ball immediately into the goal area. Luis Hernandez sprinted in on Lalas's blind side and powered a header into the back of the U.S. net.

Just like that, it was 1-0. Just like that, Mexico retained the trophy it won in 1996. Just like that, most of the 91,255 in the Coliseum and the overflow of 6,941 watching oo closed circuit at the adjacent Sports Areoa leaped to their feet in delight.

Playing in Los Angeles is oot a home game for the United States national team, as the American players quickly found out. And it wasn't only the sea of red, white and green flags that were the giveaway.

As they walked into the tunnel after Mexico had been presented its trophy and medals by the FIFA president, Joao Havelange, the U.S. players were pelted with debris and cups of what might have been water, beer or worse. It was an ugly sight, hut ooe that the U.S. coach, Steve Sampson, and his players have come to expect in Los Angeles. Here, it is Hernandez, whose goal was his fourth of the tournament, and his teammates who are the heroes.

Lalas, in the relative calm of the Coliseum tunnel after the game, admitted that he was to blame for the goal.

"I lost the ball and I didn't pick up Hernandez coming through the box," he said in a subdued tooe. "He came from the blind side. I take full responsibility, not only for losing the ball but also for not picking him op."

The loss ended the U.S. team's unbeaten streak at nine and its winning streak at six. For Mexico's coach, Manuel Lapuente, it also helped erase a loss to the United States in the same stadium in the semifinals of the 1991 Gold Cup.

■ **Juventus Beats Sampdoria, 3-0**

The Italian strikers Alessandro Del Piero and Filippo Inzaghi scored a goal apiece as Juventus beat Sampdoria, 3-0, on Sunday night to re-establish their four-point lead at the top of Serie A over Inter Milan who earlier thrashed Lecce 5-0, Reuters reported from Rome.

Del Piero opened the scoring for Juventus after just five minutes, bursting in to the penalty area on the right and beating goalkeeper Fabrizio Ferron with a fierce right foot shot for his 15th league goal of the season.

Agassi Regains Form, Beating Sampras for Sybase Crown

The Associated Press

SAN JOSE, California — Andre Agassi is back. Twenty pounds lighter, in tip-top shape and unshakably confident, Agassi made it clear his slump is over.

A former No. 1-ranked player who tumbled out of the top 100 last year, Agassi dramatized his comeback with a decisive 6-2, 6-4 victory over the current No. 1, Pete Sampras, in the Sybase Open on Sunday.

The victory, Agassi said, was just the beginning. He's aiming for a return to the top. "The single most important factor is my movement and fitness," he said. "I feel like I'm strong, and I'm reacting to the ball."

It was Agassi's first appearance in a final since defeating Michael Chang in Cincinnati in August 1996.

The crowd was on its feet after Sampras sailed a ball long on match point and Agassi triumphantly raised his arms to celebrate his fourth Sybase title. He had won it in 1990, 1993 and 1995.

Sampras, the top seed and two-time defending champion, was stunned. "He was picking up my serve real well and he came out strong," he said. "You can't be a little bit off against Agassi."

Agassi went up 2-1 in the first set with a crosscourt backhand for break point. He broke serve again to take a 4-1 lead, and kept command the rest of the way on the fast surface at the San Jose Arena.

Despite 17 aces, Sampras appeared sluggish. Then there was the distraction of broken strings: He used five rackets during the match. "The string is so tight and it's a thin gut, it will break," he said. "That's the price you pay with tension. Unfortunately, it came oo a break point or big points, and that didn't help."

The two had not played each other since the 1996 ATP World Championship in Hannover, Germany, which Sampras won. The last time Agassi beat Sampras was in 1995 in Mootreal.

Two years ago at the Sybase, Sampras easily defeated Agassi, 6-2, 6-3. This year, Agassi bested the French Open champioo, Gustavo Kuerten, and the second-seeded Chang before facing Sampras. Overall, Sampras leads the series between the two, 12-9.

Agassi's victory Sunday was the culmination of his hard work toward a comeback. He ended 1996 ranked No. 8, but his game fell off dramatically last year with his ranking plummeting to as low as 141 in November.

This year, a revitalized Agassi has been on a steady climb, with more final and semifinal appearances than all of last year. He is now ranked No. 71 and may have played himself into position to lead the United States against Russia in the first round of the Davis Cup in April.

Sampras suffered his first loss in a final since tumbling to Boris Becker in Stuttgart, Germany, in October 1996, snapping a streak of nine straight victories in finals. He also had his 14-match Sybase winning streak snapped as he lost for only the second time in 47 matches to players ranked outside the top 50.

In the doubles final, the top-ranked Todd Woodbridge and Mark Woodforde of Australia defeated Nelson Aerts and Andre Sa of Brazil, 6-1, 7-5.

Earnhardt Finally Snags an Elusive Prize on Daytona Speedway

By Angus Phillips
New York Times Service

DAYTONA BEACH, Florida — You could almost feel 185,000 fans hold their breath at Daytona International Speedway as Dale Earnhardt and his snakehit, coal-black No. 3 Chevrolet went around and around in a roaring blur, chasing the one great prize that in a storied racing career he had never managed to catch: the Daytona 500.

Storm clouds rumbled in as the son of a stock-car driver from Kannapolis, North Carolina, ticked off the last of the 200 laps with just five to go to the winner's circle. He had beeo there many times before but something always had come up to snatch away victory in stock car racing's premier event. What cruel twist awaited? Tornado? Lightning strike?

Suddenly, two cars were spinning on the back straightaway, the yellow caution flag was coming out and Earnhardt, in front of the mayhem for once, was able to hold off a furious charge from behind by Bobby Labonte to claim the trophy that had eluded him for 19 years.

Then he was spinning his car in giddy circles through the infield grass and he was smacking the paws of hnndreds of rival pit crew workers wbo seemed as pleased as he was.

So ended an era at the 40th running of the Daytona 500 on Sunday, on the 50th hirthday of the National Association for Stock Car Auto Racing, as Earnhardt, the sport's biggest mooey winner of all time, closed the book oo a 59-race Winston Cup losing streak — the worst of his career — and a 19-year Daytona 500 losing streak hy taking the season opener with a dominating performance that earned him $1.06 millioo.

"We cried a little oo that lap coming in to get that checkered flag," he said. "It was pretty awesome. All the race teams were giving me high-fives. It was amazing how good it felt."

And then he was on Victory Lane, crowing: "The Daytona 500 is ours! We've won it! We've won it! We've woo it!"

"I was driving the mirror more than the windshield," said the 46-year-old, alluding to the fact he led 107 of the 200 laps and spent most of the day looking back and holding off rivals.

"We've got one beck of a race car and we're going to win a championship this year," he said, referring to the Winston Cup for the overall season.

It would be his eighth seasoo title if he succeeds over the next nine months, which would make him the all-time Winston Cup champion over Richard Petty, the oow retired king of stock car racing, with whom he stands tied with seven seasoo titles.

But seasoo titles are only part of the picture. They are decided by drivers' finishes over the course of 33 races contested at tracks from coast to coast.

But the Daytona 500 is, and always has been, the premier event of the Nascar year. Earnhardt's inability to win it left a huge hole in his resumé.

His gaffes in the streak were memorable. In 1986 he ran out of gas while leading with three laps to go; in 1990 he shredded a tire while leading with less than a mile to go; in 1991 he smacked into a seagull on the back straightaway, got back near the front despite the damage hut crashed again with two laps to go; in 1993 he led with a lap to go hut was passed by Dale Jarrett; last year he stood second with 11 laps to go but crashed while battling for the lead and wound up skidding past the grandstand upside-down.

The failures were doubly mystifying considering Earnhardt's many other successes on Daytona's 2.5-mile (4-kilometer), steep-banked track. He has made it to the winner's circle 30 times in lesser races here, including nine straight victories in one of the Twin 125 races that establish starting positions for the Daytona 500.

On Thursday, he led his Twin 125 here from start to finish to take a spot in the second row of the starting grid Sunday.

Was this the culminatioo of his career?

"Hell, no," said Earnhardt. "Another championship is what's going to make it complete."

And with that be was off to a round of parties he has waited 20 years to attend. Race officials warned him they would get him np early for a breakfast gathering at Daytona USA, the racing museum next to the track wbere his car will be enshrined for the next year.

"You won't have to wake me," Earnhardt said. "I ain't going to bed."

SCOREBOARD

BASEBALL

NBA Standings

	W	L	Pct	GB
EASTERN CONFERENCE				
ATLANTIC DIVISION				
Miami	23	18	.647	—
New Jersey	30	21	.588	3
New York	28	21	.571	4
Washington	27	26	.509	7
Orlando	24	27	.471	9
Boston	23	28	.451	10
Philadelphia	15	33	.313	16½
CENTRAL DIVISION				
Indiana	36	14	.720	½
Chicago	38	15	.711	—
Charlotte	30	20	.600	6½
Atlanta	30	22	.577	7½
Cleveland	28	23	.549	8½
Milwaukee	25	25	.500	11½
Detroit	23	27	.460	12
Toronto	11	40	.216	26
WESTERN CONFERENCE				
MIDWEST DIVISION				
Utah	34	15	.694	—
San Antonio	34	16	.680	½
Minnesota	28	21	.571	6
Houston	25	25	.500	9½
Vancouver	14	37	.275	21
Dallas	10	41	.196	25
Denver	5	45	.100	29½
PACIFIC DIVISION				
Seattle	39	12	.765	—
L.A. Lakers	35	14	.714	3
Phoenix	33	16	.673	5
Portland	30	20	.600	8½
Sacramento	23	29	.442	16½
L.A. Clippers	11	40	.216	28
Golden State	9	40	.184	29

SUNDAY RESULTS

Miami	28	29	28	31	—116
Toronto	23	28	22	22	— 95

M: Mourning 8-13 15-19 31, Lenard 10-18 1-1 25; T: Wallace 12-20 2-2 27, Christie 6-17 3-3 17, McGrady 7-12 3-4 17. Rebounds—Miami 54 (Brown 11), Toronto 32 (McGrady 8). Assists—Miami 28 (Hardaway 7); Toronto 23 (Garner 7).

Houston	24	22	24	20	— 90
L.A. Lakers	20	25	20	23	— 88

H: Barkley 9-16 7-10 26, Olajuwon 5-14 3-3 13; Lakers: Fox 7-12 2-2 18, O'Neal 7-14 4-7 18, Bryant 8-15 0-0 18. Rebounds—Houston 60 (Olajuwon 11 Drexler 11), Los Angeles 52 (O'Neal 13). Assists—Houston 18 (Drexler 6), Los Angeles 22 (Van Exel 9).

Dallas	23	13	27	24	13— 99
Minnesota	15	21	24	24	19—105

D: Finley 12-26 5-8 31, Davis 6-15 0-0 15; M: Mitchell 8-15 9-11 25, Marbury 10-21 3-3 23. Rebounds—Dallas 63 (Green 15), Minnesota 76 (Garnett 13). Assists—Dallas 24 (Finley 8), Minnesota 24 (Marbury, Porter 9).

Detroit	18	23	18	31	— 90
Chicago	23	22	25	30	— 99

D: Hunter 10-15 4-4 31, B. Williams 9-14 3-6 21; C. Kukoc 10-16 2-2 22, Jordan 7-17 7-8 21. Rebounds—Detroit 42 (Hill, J. Williams 9), Chicago 55 (Jordan 12). Assists—Detroit 22 (Hill 13), Chicago 28 (Pippen, Jordan 5).

Cleveland	15	26	22	28	— 91
New York	23	26	26	27	—102

C: Kemp 11-22 8-10 30, Henderson 11-21 1-3 23; N.Y.: Houston 11-19 8-10 34, Johnson 7-18 9-9 23. Rebounds—Cleveland 51 (Kemp 17), New York 52 (Johnson, Dudley 9). Assists—Cleveland 26 (Sura 10), New York 19 (Houston, Ward, Childs 4).

Boston	12	24	24	25	— 87
Golden State	22	29	19	31	—101

B: Walker 8-29 9-10 26, Mercer 10-22 0-0 20; G.S. Marshall 13-19 2-4 30, Smith 8-16 2-2 18. Rebounds—Boston 53 (Walker 12), G. S. 60 (Marshall 13). Assists—Boston 20 (Walker 6), Golden State 31 (Delk, Bogues, Coles 6).

Washington	21	25	19	21	— 86
Sacramento	22	29	22	15	— 88

W: Murray 12-24 4-5 29, Strickland 6-18 8-11 20; S: Richmond 10-22 6-8 29, Williamson 11-19 2-6 24. Rebounds—Washington 57 (Davis 11), Sacramento 56 (Owens 12). Assists—Washington 21 (Strickland 10), Sacramento 17 (Richmond, Dehere 4).

Denver	24	16	25	17	— 82
Portland	29	17	34	37	—117

D: Newman 5-12 10-11 21, Ellis 5-13 3-4 13; P: Rider 13-21 4-4 31, O'Neal 9-12 3-3 21. Rebounds—Denver 35 (Newman 7), Portland 36 (O'Neal 9). Assists—Denver 23 (Jackson 8), Portland 31 (Brunson 9).

GOLF

South African PGA

Final scores Monday of $650,000 South African PGA Championship, played on 7,035-yard, par-72 Houghaan Golf Club course in Johannesburg:

Tony Johnstone, Zim.	68-64-67-72—271
Ernie Els, S. Africa	69-69-66-69—273
R. Goosen, S. Africa	71-70-69-65—275
Nick Price, Zim.	71-67-69-68—275
Scott Dunlop, U.S.	69-66-71-70—276
Phillip Price, Wales	69-71-66-71—277
Anthony Wall, Eng.	71-72-67-69—279
A. Forsbrand, Swe.	68-70-72-71—281
M. Gronberg, Swe.	72-68-71-70—281
Mark McNulty, Zim.	71-74-70-68—283
Bruce Vaughan, U.S.	75-68-71-69—283
A. McLardy, S. Africa	72-71-70-70—283
Tom Gillis, U.S.	69-69-73-72—283
Rolf Muntz, Neth.	72-67-72-72—283
S. van Vuuren, S. Africa	70-72-67-74—283

Hawaiian Open

Final scores Sunday from $1.8 million Hawaiian Open, played on 6,975-yard, par-72 Waialae Country Club course in Honolulu:

John Huston, U.S.	63-65-66-66—260
Tom Watson, U.S.	67-64-70-66—267
Trevor Dodds, Namib.	65-70-65-68—268
Mike Reid, U.S.	65-68-69-67—269
Brett Quigley, U.S.	68-68-67-66—269
Greg Kraft, U.S.	69-67-63-70—269
R.W. Eaks, U.S.	72-63-70-65—270
Steve Stricker, U.S.	66-67-68-69—270
Olin Browne, U.S.	67-66-66-71—270
Frank Lickliter, U.S.	68-64-66-72—270

WORLD RANKINGS

1. Tiger Woods 12.07 points
2. Greg Norman, Australia, 11.24
3. Ernie Els, South Africa, 10.53
4. Colin Montgomerie, Britain, 9.28
5. Davis Love 3d, U.S., 9.19
6. Nick Price, Zimbabwe, 9.10
7. Phil Mickelson, U.S., 8.75
8. Masashi Ozaki, Japan, 8.05
9. Tom Lehman, U.S., 7.60
10. Steve Elkington, Australia, 7.05
11. David Duval, U.S., 6.98
12. Justin Leonard, U.S., 6.83
13. Mark O'Meara, U.S., 6.78
14. Tom Watson, U.S., 6.45
15. Brad Faxon, U.S., 6.40
16. Vijay Singh, Fiji, 6.23
17. Scott Hoch, U.S., 6.22
18. Nick Faldo, Britain, 6.12
19. Jesper Parnevik, Sweden, 5.96
20. Fred Couples, U.S., 5.77

CRICKET

WEST INDIES VS. ENGLAND
THIRD TEST, 4TH DAY AT TEA
MONDAY IN PORT OF SPAIN, TRINIDAD
West Indies: 159 and 210
England: 145 and 170-4

SOUTH AFRICA VS. PAKISTAN
FIRST TEST, THIRD DAY
MONDAY IN JOHANNESBURG
South Africa: 364
Pakistan: 329

CANTERBURY VS. ZIMBABWE
FOUR-DAY MATCH, FINAL DAY
MONDAY IN TIMARU, NEW ZEALAND
Canterbury: 100 and 266
Zimbabwe: 422-8
Zimbabwe won by an innings and 56 runs.

SOCCER

African Nations' Cup

IN BURKINA FASO
FIRST ROUND
GROUP A
FINAL STANDINGS: x-Cameroon 7 points; x-Burkina Faso 4; Guinea 4; Algeria 0.
x-advanced to quarterfinals
GROUP B
Congo 1, Ghana 0
Tunisia 3, Togo 1
STANDINGS: x-Tunisia 6 points; x-Congo 4; Ghana 3; Togo 3.
x-advanced to quarterfinals
GROUP C
STANDINGS: Ivory Coast 4 points; Angola 2; South Africa 2; Namibia 1.
GROUP D
STANDINGS: x-Egypt 6 points; Morocco 4; Zambia 1; Mozambique 0.
x-advanced to quarterfinals

CONCACAF GOLD CUP
SUNDAY IN LOS ANGELES
FINAL
Mexico 1, United States 0
THIRD PLACE
Brazil 1, Jamaica 0

ITALIAN FIRST DIVISION
Juventus 3, Sampdoria 0
STANDINGS: Juventus 48 points; Inter Milan 44; Lazio 41; Udinese 39; Fiorentina, Parma AS Roma 35; Sampdoria 34; AC Milan 31; Bologna, Vicenza 23; Bari, Brescia 22; Empoli, Piacenza 20; Atalanta Bergamo 19; Lecce 11; Napoli 10.

SPANISH FIRST DIVISION
Athletic de Bilbao 0, Valencia 3
STANDINGS: Real Madrid 47 points; FC Barcelona 46; Real Sociedad 43; Atletico Madrid, Celta 41; Athletic Bilbao 40; Mallorca 39; Betis 37; Espanyol 35; Zaragoza 35; Valencia 34; Oviedo 32; Deportivo, Racing 30; Valladolid 29; Merida 28; Compostela 27; Tenerife 25; Salamanca 24; Sporting 6.

TENNIS

Davis Cup

AMERICAN ZONE
GROUP ONE, FIRST ROUND
Bahamas 0, Ecuador 5
Canada 3, Mexico 2

SYBASE OPEN
SUNDAY IN SAN JOSE, CALIF
MEN'S FINAL
Andre Agassi U.S., def. Pete Sampras (1), U.S. 6-2, 6-4.
DOUBLES FINAL
Todd Woodbridge and Mark Woodforde, Australia (1), def. Nelson Aerts and Andre Sa, Brazil, 6-1, 7-5.

ATP RANKINGS

1. Pete Sampras, U.S., 3,700 points
2. Petr Korda, Czech Republic, 3,484
3. Patrick Rafter, Australia, 3,250
4. Jonas Bjorkman, Sweden, 3,022
5. Michael Chang, U.S., 2,785
6. Yevgeny Kafelnikov, Russia, 2,765
7. Marcelo Rios, Chile, 2,702
8. Alex Corretja, Spain, 2,551
9. Greg Rusedski, Britain, 2,493
10. Richard Krajicek, Netherlands, 2,457
11. Gustavo Kuerten, Brazil, 2,202
12. Sergi Bruguera, Spain, 2,188
13. Felix Mantilla, Spain, 2,108
14. Karol Kucera, Slovakia, 2,014
15. Goran Ivanisevic, Croatia, 1,901
16. Mark Philippoussis, Australia, 1,809
17. Tim Henman, Britain, 1,766
18. Cedric Pioline, France, 1,703
19. Alberto Berasategui, Spain, 1,696
20. Carlos Moya, Spain, 1,683

TRANSITIONS

BASEBALL
AMERICAN LEAGUE
CLEVELAND—Agreed to terms with INF Shawon Dunston on minor-league contract.
NATIONAL LEAGUE
PHILADELPHIA—Agreed to terms with C Mike Lieberthal on 1-year contract.
FOOTBALL
NATIONAL FOOTBALL LEAGUE
JACKSONVILLE—Signed LB Bryce Paup on 5-year contract.
SAN FRANCISCO—Agreed to terms with LB Winfred Tubbs on 5-year contract.
COLLEGE
UCLA—Announced C Jelani McCoy has quit basketball team.

WINTER OLYMPICS

Stumbling Americans Take on 'Dominator'

Czech Goalie Is the Man to Avoid; Russia and Canada Face Weak Foes

By Joe Lapointe
New York Times Service

NAGANO, Japan — A few days ago, when the Americans were still among the gold-medal favorites in the men's hockey tournament, Ron Wilson, the U.S. coach, discussed the biggest incentive for winning in the preliminary round. A good record might get you an easier opponent in the quarterfinals, Wilson said, and you won't have to worry about goalie Dominik Hasek of the Czech Republic eliminating you with a 60-save performance.

Wilson's team didn't play very well in the round-robin, which ended Monday with a 4-1 loss to Canada, leaving

MEN'S ICE HOCKEY

the Americans with one humble victory and two discouraging defeats. As their reward, they play in the quarterfinals Wednesday against Hasek and the Czechs. And Hasek says he is ready for them — except for his headgear.

"My helmet is broken completely," said Hasek, the most valuable player in the National Hockey League last season. "I hope I can get a new one."

It was damaged by a Valeri Kamensky slap shot in Monday's game, a 2-1 victory for Russia. A piece of its blue plastic landed on the ice as play continued.

Kamensky's shot didn't get past Hasek, but two others did, 10 seconds apart, early in the third period. The defeat left the Czechs with a 2-1 record, but Hasek kept his optimism as they prepared for the United States.

"Team U.S.A. is a better team than Belarus," Hasek said, damning the Americans with faint praise. "But I don't think the U.S. team is more talented than the Russian team. I believe we can beat the U.S. team."

This doesn't make Hasek unique. Sweden beat the Americans in the first game by 4-2.

The U.S. needed two late goals to pull away from Belarus by 5-2. Against Canada, they couldn't score on a five-on-three power play that lasted for 100 seconds.

Wilson and his players talked afterward about how much they improved against Canada. But they will probably have to improve even more to get past the Czechs on Wednesday and play the Canada-Kazakhstan winner in the semifinal Friday night.

In the other quarter-finals, undefeated Russia will play winless Belarus in a former Soviet match and Sweden, 2-1, plays Finland, 1-2, in the Scandinavian bracket.

The way this tournament is going, with all its NHL stars, it is likely that Canada could play the Czechs in one semi-final while Russia plays Sweden in the other. A Canada-Russia gold-medal game is a growing possibility.

The Russians are missing some stars who are refusing to participate. Even so, they seem to be getting better each game. And they have that family feeling that is obvious by the long post-game gatherings alongside their bus next to Big Hat arena. Wives and girlfriends, wearing full-length minks, greet the players there, with their agents and fans. The chatter, in two languages, is about social dining for the evening.

Darius Kasparaitis, a Lithuanian who plays defense for Russia, signed one of his Pittsburgh Penguins jerseys for a Japanese girl who swooned at the sight of his puck-pocked face. Then he explained the Russians' motivation.

"People say Russia is no good any more," he said. "They say the Russians have no team and they have no heart. We have hearts. We have skills. And we have pride. We are a team."

No doubt the Americans are a proud team, too, but they are playing the way the Russians did in the World Cup of 1996, when the U.S. triumphed and Russia went home disappointed.

At first, the American confidence came across as cockiness. Now, it sounds like wishful thinking.

Jeremy Roenick, one of their better players Monday, said "We have a tremendously talented hockey team" and "I think we're coming together" but "I don't think we are at the point we want to be.

"We'd better do it quick," he added. "It's elimination time."

Chris Chelios, the captain, said, "I don't think we were overconfident. I think we felt the pressure with the high expectations of ourselves and we expected everything to go so perfectly and it hasn't. So, now, we've got to in there worried. Scared. Play with confidence and play a great game."

Easier said than done. Brett Hull, who scored the only American goal Monday against Canada's Patrick Roy, said irresponsibility may be a problem.

"I don't think the concern is the goals we are not scoring," Hull said. "It's the ones we are letting in. We are working hard from the red line in and we are not working at all from the red line back. We forwards have got to make a commitment.

"You can't stay out there a minute on that big ice, going up and down," he continued. "You are just too tired to get back on defense when the time comes. Three games in row we've let bad line changes cause goals against. And that's just selfishness."

In Monday's game, Keith Primeau scored two goals for Canada, and Roy stopped 30 of 31 shots. Hull spoiled Roy's shutout with 5:56 remaining with a rising wrist shot. Rob Zamuner and Joe Sakic scored Canada's other goals. Primeau's first was while shorthanded.

"I don't think I can remember anything more exhilarating," said Primeau, a center with the Carolina Hurricanes. "I think we did real well today. We kept our composure."

The momentum swung to Canada's favor late in the first period, after the Canadians killed off a two-man American power play when two minor penalties against Canada overlapped by one minute and 40 seconds.

In this span, the U.S. players took 10 shots on or at Roy's net.

One of them, by Hull, hit the goal post. But none went in. Just 14 seconds after the second penalty expired, Zamuner scored after Wayne Gretzky set him up with a pass. The score was only 1-0, but the game, as it turned out, was decided.

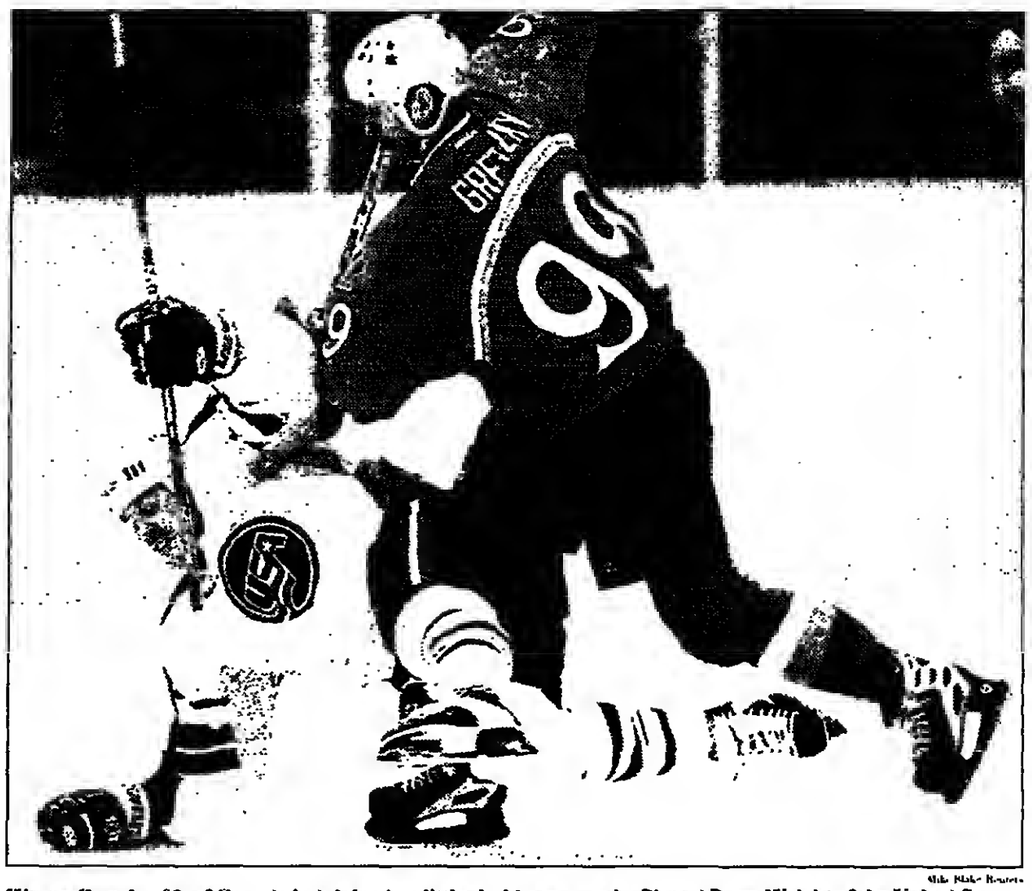
"I could tell the U.S. team was trying to feed Brett Hull," Roy said, of the American attack during the two-man power play. "My focus was on him. He was trying to go high."

When asked if an Olympic gold medal would mean as much as his two Stanley Cups, Roy said: "I would not trade my Stanley Cups for a gold medal, that's for sure. But I'd love to add a gold medal to my career."

A European journalist asked him what he says when he talks to himself behind his mask while guarding his net. "Nothing special," Roy said.

Someone from Canada asked if he talks to himself in French or English.

"Today, maybe Japanese," Roy said.



Mike Blake-Reuters

Wayne Gretzky, 99, of Canada indulging in a little skulduggery as he flipped Doug Weight of the United States.

Samuelsson Is Forced Off The Swedish Hockey Team

The Associated Press

NAGANO, Japan — Sweden will lose the defenseman Ulf Samuelsson for the rest of the men's hockey tournament because of a citizenship problem, but will not have to forfeit its two victories, the International Ice Hockey Federation ruled Tuesday.

Samuelsson has valid passports from Sweden and the United States, and under Swedish law that means he is not a Swedish citizen, said Paolo Ianieri, a federation spokesman.

As a result, the federation declared Samuelsson ineligible to play for Swedeo in the tournament. But the organization said Sweden could keep its points and play Finland in the quarterfinals Wednesday as scheduled.

If Sweden had been required to forfeit its two victories, it would have dropped from second place to fourth in its pool and would have faced unbeaten Russia instead of Finland.

The United States would have moved up from third to second place and would have faced Finland.

Ianieri said he did not know how the question of Samuelsson's citizenship was brought to the federation's attention.

Samuelsson plays for the New York Rangers of the National Hockey League.

"Samuelsson probably has a U.S. passport," said Bo Tovland, vice presideot of the Swedish Ice Hockey Federation. "As I see it, that is because you otherwise need to apply for a green card, a work permit, every year. But you don't need that if you carry a U.S. passport."

Samuelsson's "only statemeot is that he has two passports," Leif Emsjo, a spokesman for the Swedish hockey team, said before the federation's decision was announced.

"He has no idea that he has changed nationality."

After Women's Hockey Final, 'It's Over' Until Next Olympics

By Rachel Alexander
Washington Post Service

NAGANO, Japan — Of all people, Cammi Granato knows what the gold medal game Tuesday between the U.S. and Canadian women's ice hockey teams means.

She has seen the faces of little girls pressed up against the glass when she practices; she has seen her brother Tony, an NHL player, drop everything so he can be here to support her.

"This is an opportunity for all of us," she said. "This our chance to show the world, all different types of people, that women can play hockey."

But Granato is also keenly aware of what the first Olympic gold medal awarded in her sport does not mean, at least not yet. She said she thinks women's ice hockey has a long way to go before it can become professionally viable.

There have been rumblings of a professional league coming out of New Hampshire for a month, but players in Nagano have downplayed the possibility. Instead, they see their Olympic experience as an opportunity to grow the game at the grass-roots level.

There is a lot of work to do. The majority of high schools in the United States do not have a men's hockey team, much less a women's squad. In 1990-1991, there were only 149 women's

WOMEN'S ICE HOCKEY

teams at any level — an average of fewer than three teams a state, according to USA Hockey. That number had grown to 910 women's teams last season.

In Canada, there are more opportunities for girls and for women, although few believe the country could support a professional league. Many of Canada's elite women play in the amateur Ceotral Ontario Women's Hockey League, but the talent pool is so shallow that when the natiooal team began touring last year, three of the six teams dissolved because they didn't have the players, said John MacKinnoo, a spokesman for Canada Hockey.

Angela Ruggiero, an American team player and a native of California, said: "There are a lot of places where there is nowhere for a girl to play. You just have to play on the boys' teams. When I first started there were hardly any teams at all, but then Wayne Gretzky came to Los Angeles, and the rinks came."

And while the men's Olympic hockey tournament is being hilled as a "dream tournameot" because the talent is so spread out it is impossible to call any one squad a "dream team," the women's tournament has held much less competitive games. The United States and Canada have crushed the four other teams here by a combined score of 61-19.

Still, when the United States and Canada play each other, sparks fly, and the game becomes as exciting as any NHL contest. In 14 meetings in the last 18 months, the teams have skated to a 7-7 draw, with the latest salvo being fired by the United States on Saturday.

In that game, the final contest of the tournament's round-robin play, the Americans scored six goals in the game's last nine minutes for a 7-4 victory.

"We've had so many good games with Canada, and not just the ones we've won," said Ben Smith, the U.S. coach. "Yon just hope Tuesday's game is going to be as good, because it's probably going to be the largest audience we've ever played in front of."

A lot of people have already been watching as women's bockey has emerged as one of the Nagano Games' most hip, appealing sports. Tickets to the women's gold medal game are some of the hardest to get, and players keep hearing from their families about their sudden popularity in North America.

In Karyn Bye's hometown of River Falls, Wisconsin, many of the store windows bave signs wishing her good luck. The U.S. forward is getting about 40 e-mails a day from fans, and 20 or so from personal friends.

"I wish I could be two people: one here and ooe back home to get a feel for how big this is," she said. "People are saying women's ice hockey is the talk of the Olympics."

With the historical game looming, players are feeling a high like no other women in their sport have before, and they believe this Olympics has prompted a major change in the way women's ice hockey is perceived. But somewhere in the backs of their minds, they know that once the medals are won and the cheers die down, they have a long way to go.

"For us, it's like you work, you work, the whole team travels together for a year, and then it's over," said Granato, ooe of only two women hockey players who have seriously explored options in the Natiooal Hockey League.

Granato bas spoken to the New York Islanders about a tryout next year, and the Canadian goaltender, Manon Rheaume, once played in the Tampa Bay Lightniog organization. But as a goaltender, Rheaume was not subject to checking. Granato, who weighs 140 pounds (63 kilograms), fears she would not be able to fight off NHL oppoents 50 pounds heavier.

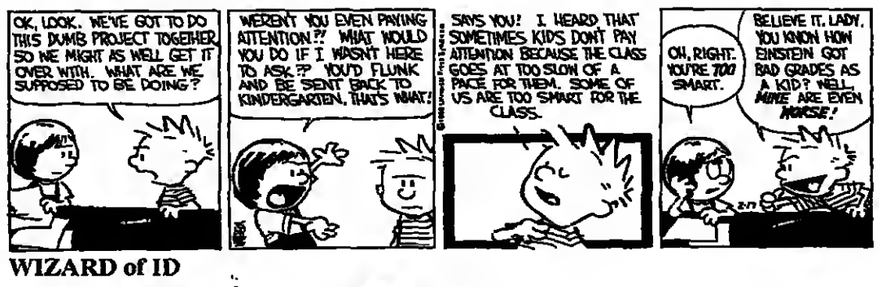
"With us, not only do you have an offseason, but there's nowhere for you to go next year if you're out of college," she said. "We realize that after this, it's over until the oext Olympics."

DENNIS THE MENACE

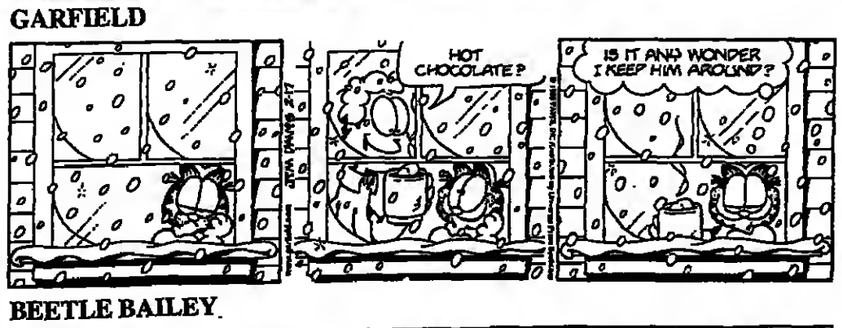
"MOM LOST HER PATIENCE, AND I HAVE TO SIT OUT HERE TILL SHE FINDS IT!"

PEANUTS

CALVIN AND HOBBES



GARFIELD



WIZARD of ID

BEETLE BAILEY

NON SEQUITUR

DOONESBURY

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Mike Argirion

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

LIRTL

GAILE

CARAFS

FORPIT

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer: "_____" HIS _____ (Answers tomorrow)

Yesterday's Jumbles: YODEL BOWER MYSTIC THRASH
Answer: Enjoyed on their nature walk — THE ECHO SYSTEM

BLONDIE

Katja Seizinger flying toward the lead Monday in the combined downhill.

Seizinger Repeats as Downhill Champion

Sweden's Pernilla Wiberg and Florence Masnada of France Join the German on Podium

By Harvey Araton
New York Times Service

HAKUBA, Japan — Katja Seizinger of Germany affirmed her status as the world's pre-eminent female skier by winning the women's downhill gold medal Monday in a sizzling one minute, 28.48 seconds and becoming the first downhill racer to repeat as Olympic champion.

She was 0.29 seconds faster than Pernilla Wiberg of Sweden, who won the silver. Florence Masnada of France won the bronze, with Picabo Street of the United States following her stunning gold-medal performance in last week's super-G with a sixth-place finish, 0.65 seconds behind the German winner.

A couple of hours later, Seizinger also posted the fastest time (1:28.52) in the downhill portion of the combined event, with Wiberg again in second (1:28.86). Renate Goetschl of Austria, who had crashed in the morning, was third in 1:29.34. The two slalom races of the combined are scheduled for Tuesday.

With the course bumpy and unfamiliar, Street admitted that while she had her trademark tiger on her helmet, she did not have one in her heart. When she could not find the line that perfectly suited her, she decided to ski what for her was a conservative race in what could have been her last race at the Olympics. She did not enter the combined downhill.

"I've hit too many fences this year," said Street, 26. "I didn't want to push the envelope. To me, it wasn't worth risking my health to win another medal."

This was a day for the Europeans to assert themselves just when it seemed the Nagano Games were turning into their worst nightmare. The 26-year-old Seizinger — the overall World Cup leader and winner in four of six downhills this season — admitted having to fight her frustration these last few days, after failing to win a medal in the super-G and having to wait through the postponement Saturday of her specialty.

"It is nothing against the Japanese people, just the weather," she said.

ALPINE SKIING

"But I have been a bit angry, you know, because the Olympics come along once every four years, and you hate to see this happen."

In her ninth season on the World Cup tour, Seizinger is the daughter of a steel mill executive. Her rise to the top of the circuit — she is third on the career victory list, with 36, behind Annemarie Moser Proell of Austria (62) and Vreni Schneider of Switzerland (55) — is considered an enormous achievement for one who did not grow up in the mountains. Born in Ruhr, in Western Germany, she learned to ski from age 3 during vacations in the French Alps.

Seizinger drew the No. 5 bib. She was the only racer under 1:29. Then Goetschl fell.

There was a short delay before the race resumed, and Street, up after Hilde Gerg of Germany, said that was enough time to put that shred of doubt in her mind.

Seizinger knew she could not breathe easily until the 15th skier, Wiberg, was down without catching her. "I knew that Pernilla was going to be the toughest of the others," she said.

Wiberg, like Seizinger one of the most versatile skiers on the tour, posted her best time of an injury-filled year.

She has broken her ribs and injured both knees. But Seizinger knew Wiberg had been rounding into form, so she waited, unsmiling, behind the finish line.

When Wiberg was down, Seizinger's skis went up in the air.

After winning the super-G, Street said she was thriving on the chaotic conditions at these Olympics, and that they were probably more detrimental to the Europeans, who were used to operating in their own territory.

"Here, the playing field is even," said Street, who won the silver medal in this event at the 1994 Games in Lillehammer, Norway. "I don't think the Europeans like skiing in Japan."

Seizinger confirmed that, but on this day, the sky was bright and the sun burst through the early-morning clouds.

Seizinger roared down the mountain, leaving the rest of the field behind and order on the women's slopes restored.

MAIER: *Austrian 'Herminator' Recovers From Fall to Take Gold*

Continued from Page 1

turned foul again in Hakuba, postponing the start of the super-G on two occasions, he was fortunate again.

"Every day the race was delayed gave me more time to heal," Maier said. "I just missed one day of training, and today, my knee was all right."

And after doing a thorough inspection of the course Monday, he went to the top of the mountain to wait for his second chance. The skiers have been waiting since they arrived in the resort of Happo'one as snow, fog and rain have played daily games with their schedule.

Monday, fog delayed the race for approximately 40 minutes. "It was beginning to get on my nerves," Maier said.

But when the fog finally thinned enough, Jean-Luc Cretier of France, the Olympic downhill champion, launched himself down the course.

Maier started eighth. The time to beat was Knauss's 1:35.43, and Maier, sorer and wiser after his spectacular fall, did not throw caution to the breeze. His first two intermediate times were not even among the day's five best, but by the midway point, he had resumed searching for the most direct line possible.

At the third checkpoint, he was nearly three-tenths of a second ahead of Knauss. When he reached the bottom and saw his commanding lead flash on the scoreboard, he put both fists to his helmet and looked skyward into the patches of blue.

"I saw Cretier drift into some gates," he said. "And so I told myself at the top: 'Be cool. Use your head.' I only attacked like I usually do at the bottom."

The man who has dominated the World Cup circuit and all but clinched Austria's first overall title since Schranz in 1970 now has a gold medal to add color to his already colorful life story.

"I was surprised by what he did today, but he's so tremendously strong," said Tommy Moe, an American who finished eighth, one spot behind his teammate Daron Rahlves. "He's like a machine. You can see when he's inspecting. He's just so crazy-eyed. He's a wild man. He looks like he's a barbarian who just got back from the woods of Austria."

Monday, the barbarian went past the gate instead of crashing through it.

Modern Twist To Jansen's Olympic Fairy Tale

By Mike Kupper
Los Angeles Times Services

NAGANO, Japan — It was the golden moment of the golden Lillehammer Olympics. Hard-luck speed skater Dan Jansen of the United States, probably the best sprinter in the world, had finally won a gold medal, in the last Olympic race he would ever skate.

He had just missed as a youngster at Sarajevo, finishing a surprising fourth in the 500. He had missed twice four years later in Calgary, falling in the 500 only hours after learning that his sister, Jane, had died of leukemia, then four days later, just before leaving for her funeral, falling again in the 1,000. He had missed yet again four years after that at Albertville, inexplicably hesitating in the final turn of the 500, then, his confidence shot, finishing 26th in the 1,000. At the upside-down Viking ship rink in Hamar, Norway, he had already missed in the 500, slipping in the last turn and finishing eighth.

So when he won the 1,000 in world-record time, knowledgeable and sympathetic Norwegian fans nearly blew the roof off the hall. Jansen, almost overcome with emotion, sang the words to the U.S. national anthem, then skated over to his wife, Robin, plucked their baby daughter, Jane, from her arms and skated the infant around the rink in a victory lap.

Heartwarming? The word was coined for that scene.

Jansen is in Nagano for these Olympics, doing speed skating commentary for CBS, the U.S. television network, and Sunday, before the men's 1,000, he couldn't help but think of all that happened four years ago.

"Actually, I've been thinking about it for a few days," he said. "It brings back so many memories. Every memory is good, but it's funny to think about it, the days leading up to it and what was going through my mind. The time between the 500 and this race was a very long three days."

Jansen does motivational speaking these days, among other things, and says he tells the story often.

"I do think about it and relive it a lot," he said.

And daughter Jane, now 4½?

Jansen said she had seen the video so often that "she thinks she remembers being there."

It seemed a perfect ending to six years of anguish, and Robin said as much at the time: "Our saga started back in Calgary when Dan lost his sister, Jane. The saga ended today, and we wanted it to end with the new Jane in our lives."

And they all lived happily ever after?

Would life be so tidy?

Jansen still lives in Milwaukee, where he grew up and learned to skate. Robin and Jane live in North Carolina.

The Jansens were divorced about a year ago.

1,500-Meter Record Stuns Holland's Timmer

By Amy Shipley
Washington Post Service

NAGANO, Japan — Peter Mueller, the coach of the Dutch speed skater Marianne Timmer, grew so excited about her world record performance in the 1,500 meters Monday that he bounded out to the ice and, in an attempt either to lift or embrace his skater, ended up tackling her. It was obvious that Timmer didn't mind. It wasn't clear that she even noticed.

She wore a look of incredulity from the moment she glanced up to the scoreboard for the 1:57.58 result — 2.5 seconds faster than her personal best in the 1,500 and 0.29 better than the world mark. The disbelief remained even after she jumped up to the podium to collect her Olympic gold.

The Canadian speed skater Kevin Overland, who won the bronze in the 500 meters last week, said, "I think you all saw the expression of 'Wow' on her face."

Overland had the closest view of Timmer's expression. For 15 months, he and Timmer have been dating, and he gave her a second embrace — considerably gentler than the one she got from Mueller. About the knockdown, Mueller said, "That was one of my old football moves."

Timmer, 23, accepted all well wishes without discrimination. She, after all, was not expecting to be in this position.

SPEED SKATING

She entered the race hoping to finish between third and sixth. She had never won a 1,500-meter race and didn't figure to break the trend now.

"Clearly, there was only one possible reaction: 'Wow,'" said a competitor, Gunda Niemann-Stirnemann. "It was a crazy time, an amazing time, a fantastic time. I didn't expect her to win the gold medal."

While Niemann-Stirnemann, who finished second, couldn't top the mark, the former world record holder, Catriona LeMay-Doan of Canada, couldn't crack the top 10. She started too fast and faded to 13th. Another favorite, Austria's Emese Hunyady, paired with LeMay-Doan, finished fourth.

Like Timmer, Chris Witty of the United States expressed surprise after her third-place performance. Witty considers the 1,000 meters, to be contested Thursday, her best race. She began competing in the 1,500 only to improve her times in the 1,000.

This is Timmer's first Olympic Games. She was raised on her parents' small sheep farm in Sappemeer, and she lists working on the farm as one of her hobbies. Her parents sat in the stands with Overland, watching as 11 skaters competed after Timmer.

"It took a few years off their lives to have to watch the rest of the races," Overland said. "But I reassured them that nobody had that kind of speed today."

Overland figured that his bronze-medal performance last week proved inspirational. Overland had expected to be rooting hard for two athletes Monday, but his sister Cindy dropped out of the race because of the flu.

Timmer won the 1997 world championships in the 1,000 meters, making her a strong favorite Thursday. "Now, I have a really good feeling about the 1,000," she said. "And I go for it, too."

Colette Brand of Switzerland flipping into the aerial freestyle final.

Relay Teams Drop Feuds to Win Medals

By Nesha Starcevic
The Associated Press

HAKUBA, Japan — Bitter rivalries and personal feuds were put aside Monday in the women's 20-kilometer cross-country relay.

Yelena Vaelbe helped her Russian teammate Larissa Lazutina win her third Olympic gold medal, and Manuela Di Centa embraced Stefania Belmondo after her spectacular finish clinched Italy's bronze.

CROSS-COUNTRY SKIING

Women skiers starting the 20-kilometer relay race in Hakuba on Monday. Russia won the gold, Norway finished second and Italy was third.

Racing the third leg, Vaelbe turned a one-second deficit into a 22.8-second lead when she tagged Lazutina. Lazutina finished the job and cruised home carrying a Russian flag to give her powerful team the gold medal.

Norway came in second and Belmondo completed an amazing comeback for the Italian team by winning the bronze.

It was the fourth gold medal for Russia in as many women's cross-country events, the third for Lazutina, and the second for Olga Danilova, who raced the second leg. Russia has not lost a major relay since 1989.

Lazutina and Vaelbe were both on the victorious teams in 1992 in Albertville, France, and 1994 in Lillehammer, Norway.

Lazutina, who always felt Vaelbe received preferential treatment in a talent-laden team, began training on her own last year.

After the race, Vaelbe said Friday's 30-kilometer event would be the last race of her illustrious career, which has only one blemish: no Olympic individual gold medal. The 29-year-old Russian has three relay wins, plus three bronzes in Albertville.

Vaelbe, a five-time World Cup champion, gained an unprecedented sweep of five gold medals at last year's world championships. But she was bothered by illness coming into the Olympics and finished only 17th in the opening 15-kilometer event.

Di Centa and Belmondo have never been friends. But they embraced after Belmondo pushed her way through to capture Italy's third straight Olympic relay bronze.

Italy was ninth when Di Centa tagged Belmondo for the final leg.

Belmondo, the 1992 30-kilometer champion, took off at a furious pace.

Coming into the home stretch, she pushed her way past other racers and surged to the finish. Her leg time of 13 minutes, .1 seconds was 26.6 seconds faster than Lazutina's second-best for the last leg.

Russia finished in 55:13.5, 24.5 seconds ahead of the Norwegian quartet of Beate Martinsen, Marit Mikkelsplass, Elin Nilsen and Anita Moen Guidon. Italy was 1:39.8 behind.

Weather Plays Havoc With Freestyle Skiers

Several Are Injured in Crash Landings

The Associated Press

IIZUNA KOGEN, Japan — A string of freestyle skiers crash-landed out of the qualifying round of the aerials competition on Monday.

There were several notable casualties and surprises, as many competitors misjudged the speed of their jumps in the rapidly changing conditions. The warm sunshine of the morning gave way to cold, cloudy weather in the afternoon.

An American, Mariann Ferrarin, injured his left knee when he leaned far back on his landing and tumbled onto his side. He was carried off by team officials, and was later diagnosed with a ruptured anterior cruciate ligament and patella tendon. He was to return to the United States on Wednesday for surgery, team officials said.

David Belhumeur of Canada crashed during a training jump and suffered a dislocated shoulder.

The biggest shock was the elimination of two highly rated Australian women, the reigning world champion Kirstie Marshall and the World Cup circuit's second-ranked skier, Jacqui Cooper.

Marshall misjudged her landings and finished 14th, two spots out of contention. Cooper took a terrible crash on her second jump. She failed to complete her twist, landed heavily on her side and slammed her head against the hard-packed snow. She eventually walked off under her own power. Australian officials said she suffered a mild concussion.

Cooper and Marshall represented Australia's main medal hopes in the Olympics, and their elimination was met with stunned silence by Australian fans and officials gathered at the bottom of the jump.

With others crashing all around them, the top American contenders decided to play it safe.

"My goal today was just to land — that's all I was thinking about," said Eric Bergoust.

The surprise leader was Dmitri Dashchinsky of Belarus, with a two-jump total of 249.08 points. Britt Swartley of the United States was second with 247.08 points. Bergoust was fourth with 232.61 points, behind Alexandre Mikhailov of Russia with 246.21.

In women's qualifying, Xu Nannan of China (182.01) led Alla Tsuper of Ukraine (178.46), Veronica Brenner of Canada (174.86) and the World Cup leader, Nikki Stone of the United States (174.00).

The 12 men's and women's qualifiers start from scratch in the finals, with the preliminary scores thrown out.

"Training was awful," Bergoust said. "The weather was a huge factor. It was really warm in training, then it got cold right at the end. It changed the speed and texture of the snow."

Bergoust and Swartley took a conservative approach Monday, instead of performing two triple twisting triple somersaults — also known as quads — they did only one.

"I'm going to go for broke on Wednesday," Bergoust said. "I've got to shoot for higher than 250."

WINTER OLYMPICS

OLYMPIC ROUNDUP

Osaka Gets Support

China will oot bid for the 2008 Summer Olympics, but will instead support a bid by Osaka, Japan, a Japanese official has said.

Kazuya Kasahara, the Japanese Olympic Committee general secretary, said China's sports minister, Wu Shaozu, cooveyed China's intention to Hironoshin Furuhashi, the JOC president, in Nagano last week.

"Jndging from all circumstances, China will in no way stand as a candidate for the 2008 Olympics," Kasahara said. *(AFP)*

That's Why It's So Slow!

The Nagano Olympie website took 316 million hits in the first seven days of compeotion. Japanese, Americans, Canadians and Australians are the most avid Olympic cybersurfers. There were 187 million hits for the whole of the Atlanta Games in 1996, where the system was dogged hy errors.

More than 70,000 fans have e-mailed athletes: the most popular are the U.S. men's ice hockey and Jamaican bobsled teams. *(AFP)*

Baseball Cap Furor

Japanese officials have apologized over a display of bad manners by Tae Satoya, the gold medalist in the women's free-style skiing. She failed to remove a baseball cap during the flag-raising ceremony. Her gaffe brought a flood of complaints to the Japan Olympic Committee.

"We, as the people responsihle for the team, deeply regret this matter and offer our apologies," Yushiro Yagi, head of Japan's delegation, said Mooday. *(AP)*

Grishuk and Platov Dominate To Take 2d Ice-Dancing Gold

By Jere Longman
New York Times Service

NAGANO, Japan — The lights went out in the middle of Monday night's competition, years after the credibility of ice dancing had gone dark.

The losers complained that the judging was as artificial as Pasha Grishuk's hair color. But she and her partner, Yevgeni Platov, provide mueh of whatever legitimacy still exists in the sport.

Skating an emotional performance to "Memorial," music written in memory of the deadly Heysel soccer stadium riot in Belgium in 1985, Grishuk and Platov of Russia became the first ice dancers to repeat as Olympic champions since the sport was introduced into the Winter Games in 1976.

They have won 22 eonsecuóve competitions since taking their first gold medal at the 1994 Winter Games in Lillehammer, Norway. And they have labored to bring speed, risk and athleticism to an event that is often dismissed as predetermined, abusive of the rules and lacking even the rudiments of dance.

Even though the audienee at White Ring arena reacted with diffident applause, Grishuk and Platov deservedly woo the gold medal over Anjelika Krylova and Oleg Ovsyannikov of Russia and Marina Anissina and Gwendal Peizerat of France. Grishuk and Platov received two perfect marks of 6.0 for presentation in the free dance, which counted for 50 percent of the score.

If Grishuk's crying at the end appeared theatrical — perhaps she was audiooning for an erstwhile acting career — her performance was full of legitimate passion. As usual, she and Platov were faster than the others and more ambitious. She moved fluidly between his legs in a spread-eagle glide down the ice and he showed impressive strength by balancing her oo an extended leg.

"We wanted to make it really difficult, make it go in a different direction," said the 25-year-old Grishuk, a peroxide hlonde. "We did everything perfect. We couldn't have done any better."

They are coached by Tatiana Tarasova, who also coached Ilya Kulik to the men's gold medal. This is the first time anyone has coached a singles skater and ice dancers to gold medals in the same Winter Games. The disciplines could not be more dissimilar; singles skating is full of triple jumps, while iee daneing does not permit jumping.

Russians have now won the men's, pairs and ice-dancing competitions at the Nagano Games. While many predicted figure-skating chaos once the Soviet Union splintered, skaters from Russia and Ukraine have won 10 of the 11 available Olympic gold medals since 1992. Only Kristi Yamaguchi of the United States, the women's winner in 1992, has interrupted this domination.

Like dozens of former Soviet skaters, Grishuk and Platov have moved with Russian coaches to the United States, where ice conditions are better and financial opportunities are more plenuiful. They train in Massachusetts, while Krylova and Ovsyannikov train in Delaware.

Krylova and Ovsyannikov are so striking that they consume the ice, but they played Monday night's performance of "Carmen" way over the top. She seemed to be projecting to the 75th row in an arena that contained only 30 rows.

A thirty-minute delay was caused when someone accidentally hit a light switch. Later, Anissina and Teizerat skated an arresting routine as Romeo and Juliet hut they spent the first 30 seconds of their performance standing still.

Shae-Lynn Bourne and Victor Kraatz of Canada engaged the crowd with their routine, hut they became overwhelmed hy the energy of their music and remained fourth.

Aside from Grishuk and Platov, the most intriguing performers were Elizabeth Punsalan and Jerod Swallow of the United States. They skated a sexy tango hut did not hudge from seventh place.

In fact, the first nine couples remained the same from the compulsory dances through Monday's free skate.

"It is not a sport," said Natalia Dubova, the coach of Bourne and Kraatz. "Something has to change."

Dubova, a native of Russia who now lives in Lake Placid, New York, formerly coached Grishuk and Platov. Nnting that they now had twice the number of gold medals as did the revoluiionary 1984 champions Jayne Torvill and Christopher Dean, Dubova said she was not impressed hy the innovation of the current champions.

"Because ice dancing is a type of art, they should do something to improve the sport," Dubova said.

Jim Ruymen/The Associated Press

Anjelika Krylova and Oleg Ovsyannikov skating to a silver medal on Monday.

Lipinski and Kwan: Personalities as Distinct as Their Skating

New York Times Service

NAGANO, Japan — If they awarded a gold medal for having fun at the Winter Olympics, Tara Lipinski would be the hands-down winner.

She has waited for this moment since she was a 2-year-old, watching the 1984 Summer Games on television, standing on a Tupperware container and pretending the national anthem was being played for her.

Now, at 15, she really is a gold-medal contender and she is soaking up the experience like a sponge.

She has marched in the opening ceremonies, lived in the Olympic Village, done her nails at the Amway beauty counter, posed with a sumo wrestler, stood for pictures with Mongolian cross-country skiers, cheered on her training partner, Todd Eldredge, in the men's figure-skating compeotion, played virtual-reality games and hung out in the Village sewing room fashioning Olympic patches alongside German speedskaters and Bulgarian snowboarders.

"I'm so glad I did it," Lipinski said. "I wouldn't want to come to this competitioo and stay in a hotel. I'm so glad I got to meet all the other athletes and have fun, rather than just skate. If you don't do well, you don't want that to be your only experience."

The women's figure-skating competition begins Wednesday with the short program. Lipinski, the reigning world champion, and her teammate Michelle Kwan, the 1996 world champion and current national champion, are clearly the favorites. They are both bright, personable teenagers with aspirations for gold medals and Ivy League educations. Yet their approaches to these Winter Games have been as different as their skating styles.

Vantage Point/JERE LONGMAN

Kwan, 17, and another teammate, Nicole Bobek, are the only two American athletes not staying in the Olympic Village. Kwan is staying at a local hotel with her parents. She skipped the opening ceremonies to remain in Lake Arrowhead, California, and get treatment for a stress fracture in her left foot. She has not attended any Olympie competitions, preferring instead to eat in sushi restaurants, shop, watch movies on videotape and e-mail her sister and brother back in the United States. She has spent some free time at the Village, particularly on the virtual-reality snowboarding game.

"I like staying with my mom and dad; I feel really comfortable," Kwan said. "I think I've had the full Olympic experience."

Missing the opening ceremonies was "a little disappointing," Kwan said, adding that "I've got to focus on my own thing and do what's good for me."

It is impossible to say whether one approach is better than the other. Both have skated superbly in practice. Lipinski seems much more ebullient than she did a month ago at the national championships in Philadelphia, when she avoided the media except at formal news conferenees and her parents showed grim-faced disappointment at her second-place finish.

Kwan, meanwhile, is following the same social routine that earned her 15 of a possible 18 perfect marks of 6 for artistry at the national championships.

"In Philadelphia, we didn't visit the Liberty Bell," said Shelp Goldberg, Kwan's agent. "The most important thing for her at the Olympics is to skate her best. That's her dream. If that was your only Olympie experience, it wouldn't be a terrible one to have."

Lipinski has been rooming with another 15-year-old, the ice dancer Jessica Joseph, who trains with her at the Detroit Skating Club. They have spent considerable time in the village computer room, known as the Surf Shack, where Lipinski has her own home page. They have checked each other's bangs and makeup before every photo opportunity.

"We have bang check, lipstick check, everything check," Joseph said.

Joseph has also been phoning the Detroit Skating Club to catch up on rink gossip. "I can't miss that," Joseph said. "If I do, my life is over."

Lipinski was spotted eating alone once and was invited to join the United States women's hockey team. She wanted to meet Eric Lindros, the hockey star, but she made the mistake of approaching the American team instead of the Canadians.

"He plays for the Philadelphia Flyers, so I thought he was an American," Lipinski said.

At 4-foot-10 (1.46 meters) and 82 pounds (37 kilograms), Lipinski is the smallest American Olympian. But she and Kwan are the two most visible stars at these Games. Even their practices have been broadcast live.

"In the Village, people just come up and tap her on the shoulder and say, 'Photo,'" Joseph said.

ON Tuesday night, Lipinski will stay at a hotel with her parents. There is some concern about whether she should remain in the Village because oumerous athletes have contracted a flu-like illness. Tanja Szewczenko, the German champion, withdrew Sunday after being unable to train for a week.

"The good thing is, Tara's already had the flu; it knocked her out for a week after nationals," said her agent, Mike Burg.

The other concern abont Lipinski is whether she will be affected hy her friend Eldredge's meltdown in the men's free skate. On Monday, in practice, she struggled with her short program, falling oo a triple flip and struggling with her lutz. Both Eldredge and Richard Callaghan, who coaches both skaters, have spoken to Lipinski, reassuring her, trying to give her confidence ballast.

"It's hard, but you have to concentrate on yourself," Lipinski said. This was Sunday morning, hours after Eldredge had finished fourth. If she was overly upset, Lipinski kept it well hidden. After a few minutes, she left reporters, saying, "I've got to go sew," and then sat in the media room, doing needlepoint on a pillow as she awaited her second practice of the day.

"I don't think about that," Lipinski said of her medal chances. "Sometimes skaters go wrong in thinking, 'If I do this, I will win.' There's so much pressure. If I skate two clean programs and win, great. I have a good chance if I skate two clean programs."

Perhaps Kwan has kept a lower profile here because she has more to lose than Lipinski. She is considered the best skater of her generaòon and is a heavy favorite to join Peggy Fleming, Dorothy Hamill and Kristi Yamaguchi as American Olympic champions over the past 30 years. Two years older, Kwan is more sophisòcated than Lipinski in terms of skating, costumes, even choice of music.

"I think if Michelle skates well, she will win," said Carol Heiss-Jenkins, the 1960 Olympic champion. "If Tara skates perfectly and Michelle makes mistakes, it will be interesting."

A gold medal could be worth $10 million to $15 million in career earnings, said Michael Rosenberg, an agent who has represented oumerous skaters from Hamill to Tonya Harding. If Kwan, a Chinese-American, wins, she should not suffer a shortage of commercial endorsements as Yamaguchi, a Japanese-American, did shortly after winning in 1992, Rosenberg said.

"There was a lot of Japan bashing going on at the time," Rosenberg said. "Krisò did well a couple years later. Michelle cuts across all barriers of race, ethnicity and age. She has the whole package, just like Dorothy Hamill did."

OLYMPIC SCHEDULE

TUESDAY, FEB. 17

ALPINE SKIING, Hakuba— Women's Combined (Slalom), 9:30 a.m.

BIATHLON, Nozawa— Men's 10km, 1 p.m.

ICE HOCKEY, Big Hat Arena—Women Bronze medal, 2 p.m; Gold medal, 6 p.m.

SHORT TRACK SPEEDSKATING, Men's 1000m, 7 p.m.; Women's 3000m relay, 7 p.m.

SKI JUMPING, Hakuba— K120 Team, 9:30 a.m.

SPEEDSKATING, Men's 10,000m 3 p.m.

WEDNESDAY, FEB. 18

ALPINE SKIING, Shiga— Men's Giant Slalom, 9:30 a.m.

CROSS COUNTRY SKIING, Hakuba— Men's 4x10km relay, 10:15 a.m.

FIGURE SKATING, Women, short program, 7 p.m.

FREE STYLE SKIING, Iizuna, Aerials final, 10:15 a.m.

ICE HOCKEY, Big Hat Arena—Men, Quarterfinal, 2:45 p.m. Quarterfinal, 6:45 p.m. Aqua Wing—Men, Quarterfinal, 2:45 p.m. Quarterfinal, 6:45 p.m.

OLYMPIC SCOREBOARD

MEDALS

COUNTRY STANDINGS

	G	S	B	Tot.
Russia	7	3	1	11
Germany	6	6	6	18
Norway	5	7	4	16
Canada	4	4	1	9
Netherlands	3	3	1	7
Japan	3	1	3	7
Austria	2	3	6	11
Finland	2	3	2	7
United States	2	1	4	7
Switzerland	2	1	1	4
France	2	0	2	4
Italy	1	3	2	6
Bulgaria	1	0	0	1
Czech Republic	0	1	1	2
Sweden	0	1	1	2
Denmark	0	1	0	1
Ukraine	0	1	0	1
Belarus	0	0	1	1
Belgium	0	0	1	1
Kazakhstan	0	0	1	1

ALPINE SKIING

MEN'S SUPER G

1. Hermann Maier, Austria, 1 minute, 34.82 seconds.
2. Didier Cuche, Switzerland, 1:35.43.
3. Hans Knauss, Austria, 1:35.43.
4. Alessandro Fattori, Italy, 1:35.61; 5. Kjetil Aamodt, Norway, 1:35.67; 6. Patrik Jaerbyn, Sweden, 1:35.72; 7. Daron Rahlves, U.S., 1:35.96; 8. Tommy Moe, U.S., 1:35.97; 9. Lasse Kjus, Norway, 1:36.25; 10. Fredrik Nyberg, Sweden, 1:36.31; 11. Bruno I. Kernen, Switzerland, 1:36.37; 12. Brian Stemmle, Canada, 1:36.40; 13. Kyle Rasmussen, U.S., 1:36.52; 14. Steve Locher, Switzerland, 1:36.62; 15. Werner Perathoner, Italy, 1:36.66 16. Kristian Ghedina, Italy, 1:36.70; 17. Jernej Koblar, Slovenia, 1:36.84; 18. Paul Accola, Switzerland, 1:36.87; 19. Andreas Schifferer, Austria, 1:37.00; 20. Peter Runggaldier, Italy, 1:37.00; 21. Andrei Fitisichkin, Russia, 1:37.29; 22. Erik Bedzbecovic, Bosnia-Herzegovina, 1:37.58; 23. Peter Pen, Slovenia, 1:37.81; 24. Tsuyoshi Tomii, Japan, 1:37.86; 25. Jean-Luc Cretier, France, 1:37.95; 24. Juergen Hasler, Liechtenstein, 1:38.32; 27. Yasuyuki Takishita, Japan, 1:38.39; 28. Ales Brezovnik, Slovenia, 1:38.54; 29. Vasili Bezmelnitsin, Russia, 1:39.39; 30. Vedran Pavlek, Croatia, 1:39.63; 31. Graham Bell, Britain, 1:39.80; 32. Renato Gospar, Croatia, 1:39.85; 33. Andrew Freshwater, Britain, 1:39.89; 34. Chad Fleischer, U.S., 1:40.19; 35. Tejs Areberg, Denmark, 1:41.09; 36. Igor Yudin, Belarus, 1:45.92; 37. Marcelo Agovian, Brazil, 1:49.43; 38. Adrien Duvillard, France, DNS; 39. Thomas Loedler, Croatia, DNS; 40. Frederic Martin-Cudraz, France, DNF; 41. Thomas Grob, Chile, DNF; 42. Zourab Didishvili, Georgia, DNF; 43. Victor Gomez, Andorra, DNF; 44. Alexander Heath, South Africa, DNF; 45. Stefan Eberharter, Austria, DQ; 46. Nicolas Burtin, France, DQ; 47. Ed Podivinsky, Canada, DQ.

WOMEN'S DOWNHILL
FINAL

1. Katja Seizinger, Germany, 1 minute, 28.89 seconds.
2. Pernilla Wiberg, Sweden, 1:29.18.
3. Florence Masnada, France, 1:29.37.
4. Melanie Suchet, France, 1:29.48; 5. Svetlana Gladishiva, Russia, 1:29.50; 6. Picabo Street, U.S., 1:29.54; 7. Regine Cavagnoud, France, 1:29.72; 8. Alexandra Meissnitzer, Austria, 1:29.84; 9. Katharina Gutensohn, Germany, 1:29.96; 10. Hilde Gerg, Germany, 1:29.96; 11. Ingeborg Marken, Norway, 1:30.19; 12. Heidi Zurbriggen, Switzerland, 1:30.5; 13. Varvara Zelenskaja, Russia, 1:30.38; 14. Carole Montillet, France, 1:30.65; 15. Stefanie Schuster, Austria, 1:30.73; 16. Trude Gimle, Norway, 1:30.87; 17. Jonna Mendes, U.S., 1:30.89; 18. Michaela Dorfmeister, Austria, 1:31.17; 19. Kate Pace Lindsay, Canada, 1:31.30; 20. Bibiana Perez, Italy, 1:31.43; 21. Alessandra Merlin, Italy, 1:31.44; 22. Catherine Borghi, Switzerland, 1:31.45; 23. Melanie Turgeon, Canada, 1:31.45; 24. Spela Brscun, Slovenia, 1:31.54; 25. Janica Kostelic, Croatia, 1:31.97; 26. Morena Gallizio, Italy, 1:32.22; 27. Kathleen Monahan, U.S., 1:32.22; 28. Kirsten Clark, Raymond, Maine, 1:32.25; 29. Yekaterina Nesterenko, Russia, 1:32.54; 30. Corinne Rey Bellet, Switzerland, 1:32.92; 31. Lucie Hradecova, Czech Republic, 1:33.09; 32. Anna Larionova, Russia, 1:34.36; 33. Yulia Kharitovska, Ukraine, 1:35.60; 34. Carola Cabello, Argentina, 1:36.71; 35. Renate Goetschl, Austria, DNF; 36. Isolde Kostner, Italy, DNF; 37. Regina Haeusl, Germany, DNF; 38. Kristine Kristiansen, Norway, DNF; 39. Monika Kovacs, Hungary, DQ.

WOMEN'S COMBINED
DOWNHILL PORTION

1. Katja Seizinger, Germany, 1 minute, 28.52 seconds.
2. Pernilla Wiberg, Sweden, 1:28.86.
3. Renate Goetschl, Austria, 1:29.34.
4. Martina Ertl, Germany, 1:29.76; 5. Brigitte Obermoser, Austria, 1:29.82; 6. Masnada, 1:29.87; 7. Gerg, 1:29.92; 8. Dorfmeister, 1:30.10; 9. Schuster, 1:30.10; 10. Perez, 1:30.54; 11. Gallizio, 1:30.60; 12. Kristiansen, 1:30.61; 13. Marken, 1:30.65; 14. Caroline Lalive, U.S., 1:31.05; 15. Mendes, 1:31.16; 16. Borghi, 1:31.24; 17. Clark, 1:31.47; 18. Kostelic, 1:31.71; 19. Alexandra Shaffer, U.S., 1:32.53; 20. Nyskova, 1:33.29; 21. Monika Bergmann, Germany, 1:33.35; 22. Tamara Schoedler, Liechtenstein, 1:34.18; 23. Brynja Thorsteinsdottir, Iceland, 1:34.49; 24. Junko Yamakawa, Japan, 1:34.98; 25. Colello, 1:35.09; 26. Khatkevska, 1:35.84; 27. Kovacs, 1:37.35; NR. Kostner, DNS; NR. Meissnitzer, DNS; NR. Monahan, DNS; NR. Turgeon, DNF; NR. Gimle DNF.

CROSS COUNTRY

WOMEN'S 4x5KM RELAY
FINAL

1. Russia (Nina Gavrilluk; Olga Danilova; Yelena Vaslie; Larisa Lazutina), 55 minutes, 13.5 seconds.
2. Norway (Bente Martinsen; Marit Mikkelsplass; Elin Nilsen; Anita Moen-Guidon), 55:38.0.
3. Italy (Karin Moroder; Gabriella Paruzzi; Manuela Di Centa; Stefania Belmondo), 56:53.3.
4. Switzerland (Sylvia Honegger; Andrea Huber; Brigitte Albrecht; Natascia Leonardi), 56:55.2; 5. Germany (Karl Wilhelm; Manuela Henkel; Constanze Blum; Anke Schuzal), 56:55.4; 6. Czech Republic (Jana Satkova; Katerina Neumannova; Katerina Hartlova; Zuzana Kocumova), 56:58.7; 7. Finland (Tuulikki Pyykkonen; Milla Jauho; Satu Sonomen; Anita Nyman), 57:34.3; 8. Sweden (Antonina Ordina; Anette Fanqvist; Magdalena Forsberg; Karin Soderkvist), 57:53.7; 9. Ukraine (Valentyna Shevchenko; Irina Taranenko Terelia; Elena Gavrylova; Maryna Pestriakova), 57:54.8; 10. Japan (Tomomi Okiko; Sumiko Yokoyama; Fumiko Aoki; Kumiko Yokoyama), 58:22.8; 11. France (Sophie Villeneuve; Annick Pierret; Anne L. Candeveur; Karine Philippot), 58:27.7; 12. Kazakstan (Svetlana Deshevykh; Ozana Yatskaya; Svetlana Shishkina; Olga Selezneva), 59:11.3; 13. Poland (Katarzyna Gebska; Malgorzata Ruchaka; Dorota Kresny; Bernadeta Pikotowska), 59:56.7; 14. Belarus (Svetlana Kanetskaya; Ekaterina Antonuk; Elena Sinkevitch; Ludmilla Karolik), 59:56.9; 15. United States (Kerin Petty; Suzanne King; Laura McCabe; Laura Wilson), 1:00:51.2; 16. Canada (Beckie Scott; Maxine Thevikutt; Sara Renner; Jolen Ferrier), 1:01:09.9.

FIGURE SKATING

FREE DANCE

1. Pasha Grishuk and Yevgeny Platov, Russia, 1.8 factored placements.
2. Angelika Krylova and Oleg Ovsyannikov, Russia, 2.8.
3. Shae-Lynn Bourne and Victor Kraatz, Canada, 3.0.
4. Marina Anissina and Gwendal Peizerat, France, 4.0; 5. Irina Lobacheva and Ilya Averbukh, Russia, 5.0; 6. Barbara Fusar-Poli and Maurizio Margaglia, Italy, 6.0; 7. Elizabeth Punsalan and Jerod Swallow, U.S., 7.0; 8. Margarita Drobiazko and Povilas Vanagas, Lithuania, 8.0; 9. Irina Romanova and Igor Yaroshenko, Ukraine, 9.0; 10. Kati Winkler and Rene Lohse, Germany, 10.0; 11. Sophie Moniotte and Pascal Lavanchy, France, 11.0; 12. Sylvia Nowak and Sebastian Kolasinski, Poland, 12.0; 13. Katerina Mrazova and Martin Simecek, Czech Republic, 13.0; 14. Galit Chait and Sergey Sakhnovsky, Israel, 14.0; 15. Elena Grushina and Ruslan Goncharov, Ukraine, 15.0; 16. Tatiana Navka and Nikolai Morozov, Belarus, 16.0; 17. Diana Gerencser and Pasquale Camerlenga, Italy, 17.0; 18. Albena Denkova and Maxim Staviyski, Bulgaria, 18.0; 19. Chantal Lefebvre and Michel Brunet, Canada, 19.0; 20. Dominique Daniel and Martial Jeffredo, France, 20.0; 21. Jessica Josephard Charles Butler, U.S., 21.0; 22. Elizaveta Stekolnikova and Dmitri Kazarlyga, Kazakstan, 22.0; 23. Ayo Kawai and Hiroshi Tanaka, Japan, 23.0; 24. Xenia Smetanenko and Samvel Gezalian, Armenia, 24.0.

FINAL RESULTS

1. Grishuk and Platov, 2.0.
2. Krylova and Ovsyannikov, 4.0.
3. Anissina and Peizerat, 7.0.
4. Bourne and Kraatz, 7.0; 5. Lobacheva and Averbukh, 9.0; 6. Fusar-Poli and Margaglia, 12.0; 7. Punsalan and Swallow, 14.0; 8. Drobiazko and Vanagas, 16.0; 9. Romanova and Yaroshenko, 18.0; 10. Winkler and Lohse, 19.0; 11. Moniotte and Lavanchy, 22.0; 12. Nowak and Kolasinski, 23.0; 13. Mrazova and Simecek, 26.0; 14. Chait and Sakhnovsky, 28.0; 15. Grushina and Goncharov, 30.0; 16. Navka and Morozov, 32.0; 17. Gerencser and Camerlenga, 33.0; 18. Denkova and Staviyski, 36.0; 19. Lefebvre and Brunet, 38.0; 20. Daniel and Jeffredo, 40.0; 21. Joseph and Butler, 41.0; 22. Stekolnikova and Kazarlyga, 44.0; 23. Kawai and Tanaka, 45.0; 24. Smetanenko and Gezalian, 48.0.

FREESTYLE SKIING

FREESTYLE SKIING
AERIALS EVENT, ELIMINATION ROUNDS
WOMEN

1. Xu Nannan, China, (88.83, 93.18), 182.01 points (Q).
2. Alla Tsuper, Ukraine, (91.05, 87.41), 178.46 (Q).
3. Veronica Brenner, Canada, (85.40, 89.46), 174.86 (Q).
4. Nikki Stone, U.S., (78.10, 95.90), 174.00 (Q); 5. Hilde Lid, Norway, (84.53, 84.26), 168.79 (Q); 6. Ji Xiaoou, China, (86.10, 81.37), 167.47 (Q); 7. Colette Brand, Switzerland, (90.40, 74.67), 165.07 (Q); 8. Gao Dandan, China, (85.68, 78.27), 163.95 (Q); 9. Tetiana Kozachenko, Ukraine, (72.79, 89.39), 162.09 (Q); 10. Michele Rohrbach, Switzerland, (74.67, 87.09), 161.76 (Q); 11. Yulia Kliukova, Ukraine, (79.23, 82.36), 161.59 (Q); 12. Elena Yunchik, Ukraine, (77.64, 79.31), 156.95 (Q); 13. Lina Cheryazova, Uzbekistan, (76.45, 77.57), 154.02; 14. Kristie Marshall, Australia, (66.46, 82.53), 148.99; 15. Evelyne Leu, Switzerland, (73.60, 55.12), 148.72; 16. Sabina Hudribusch, Austria, (68.87, 78.56), 147.43; 17. Tracy Evans, U.S., (88.96, 58.27), 147.23; 18. Liselotte Johansson, Sweden, (60.48, 79.75), 140.23; 19. Caroline Oliver, Canada, (57.71, 76.23), 133.94; 20. Stacey Blumer, U.S., (84.00, 46.90), 130.90; 21. Mafalda Pereira, Portugal, (68.90, 57.96), 118.86; 22. Nataliia Drekhova, Russia, (69.45, 49.16), 118.61; 23. Jacqui Cooper, Australia, (69.65, 31.54), 101.19; 24. Yin Hong, China, (69.61, 21.12), 90.73.

MEN

1. Dmitri Dashchinsky, Belarus, (118.66, 130.38), 249.04 (Q).
2. Britt Swartley, U.S., (126.60, 120.48), 247.08 (Q).
3. Alexander Mikhailov, Russia, (120.28, 125.93), 246.21 (Q).
4. Eric Bergoust, U.S., (121.04, 111.57), 232.61 (Q); 5. Andy Capicik, Canada, (116.59, 110.80), 227.39 (Q); 6. Stanislav Kravchuk, Ukraine, (113.05, 113.60), 226.65 (Q); 7. Jeff Bean, Canada, (111.17, 113.69), 224.86 (Q); 8. Nicolas Fontaine, Canada, (113.25, 106.35), 219.60 (Q); 9. Aleksei Grishin, Belarus, (108.49, 109.35), 217.84 (Q); 10. Christian Rijavec, Austria, (97.90, 114.61), 212.51 (Q); 11. Ales Valenta, Czech Republic, (88.69, 116.81), 205.50 (Q); 12. Sebastien Foucras, France, (111.02, 89.25), 200.27 (Q); 13. Vassili Varabiov, Belarus, (113.03, 86.26), 199.29; 14. Freddy Romano, Italy, (90.12, 105.26), 195.38; 15. Mariano Ferraris, U.S., (111.17, 75.81) 186.98; 16. Jean-Damien Cimonet, France, (84.55, 102.26), 186.81; 17. Ou Xiaoluo, China, (79.97, 103.87), 183.84; 18. Alexander Tkachenko, Belarus, (88.33, 90.11), 178.46; 19. Yurii Stetsko, Ukraine, (89.46, 82.00), 171.46; 20. Kevin Herbert, Britain, (82.46, 85.86), 168.32; 21. Matt Chojnacki, U.S., (81.65, 83.43), 165.08; 22. Miha Gale, Slovenia, (102.03, 52.65), 154.68; 23. Kazuaki Ando, Japan, (46.77, 88.35), 135.12; 24. Sergei But, Ukraine, (65.25, 45.36), 110.61; 25. Jonathan Sweet, Australia, RNS; NR. David Belhumeur, Canada, DNS.

SPEED SKATING

WOMEN'S 1,500M

1. Marianne Timmer, Netherlands, 1:57.58.
2. Gunda Niemann-Stirnemann, Germany, 1:58.66.
3. Chris Witty, U.S., 1:58.97.00
4. Emese Hunyady, Austria, 1:59.19; 5. Anna Friesinger, Germany, 1:59.20; 6. Annamarie Thomas, Netherlands, 1:59.29; 7. Claudia Pechstein, Germany, 1:59.46; 8. Jennifer Rodriguez, U.S., 2:00.97; 9. Svetlana Bazhanova, Russia, 2:01.54; 10. Natalya Polozkova, Russia, 2:01.56; 11. Lyudmila Prokasheva, Kazakstan, 2:01.65; 12. Becky Sonnstrom, U.S.; 2:01.81; 13. Catriona LeMay Doan, Canada, 2:02.19; 14. Moira DiAndrea, U.S., 2:02.47; 15. Chiharu Nozaki, Japan, 2:02.78; 16. Aki Tonoike, Japan, 2:02.84; 17. Anette Torsberg, Norway, 2:03.03; 18. Tonny De Jong, Netherlands, 2:03.19; 19. Tatiana Troparnikova, Russia, 2:03.5; 20. Varvara Baryshova, Russia, 2:03.34; 21. Mie Uehara, Japan, 2:03.37; 22. Barbara De Loor, Netherlands, 2:04.05; 23. Shiho Kusunose, Japan, 2:04.38; 24. Ingrid Liepa, Canada, 2:04.60; 25. Bok Eun-bi, South Korea, 2:05.23; 26. Lee Kyung-nam, South Korea, 2:05.59; 27. Krisztina Egyed, Hungary, 2:06.79; 28. Song Li, China, 2:06.98; 29. Isabelle Doucet, Canada, 2:06.45; 30. Emese Doerfler-Antal, Austria, 2:07.57; 31. Li Xuesong, China, 2:08.05; 32. Ilonda Lusa, Latvia, 2:08.71; 33. Svetlana Konstantinova, Ukraine, 2:08.76; 34. Mihaela Dascalu, Romania, 2:08.77; NR. Cindy Overland, Canada, DNS.

ICE HOCKEY

FINAL ROUND

GROUP C	W	L	T	Pts	GF	GA
Czech Republic	2	1	0	4	12	4
Russia	3	0	0	6	15	6
Finland	1	2	0	2	11	9
Kazakstan	0	3	0	0	6	25

GROUP D	W	L	T	Pts	GF	GA
Canada	3	0	0	6	12	3
Sweden	2	1	0	4	11	7
United States	1	2	0	2	8	10
Belarus	0	3	0	0	4	15

MONDAY RESULTS

United States 0 0 1—1
Canada 1 2 1—4
First Period: Canada, R. Zemmer (W. Gretzky, J. Sakic). Second Period: Canada, K. Primeau (S. Yzerman) (sh). 3, Canada, J. Sakic (T. Fleury) Third Period: Canada, K. Primeau (M. Recchi, J. Sakic) 5, United States, B. Hull (O. Weight) Shots on Goal—United States 10-11-10—31, Canada 5-13-7—25. Goalies: United States, M. Richter (25-21). Canada, P. Roy (31-30). Referees—Bill McCreary, Kenneth Sartison, Gord Broseker.

Kazakstan 1 0 1—2
Finland 3 1 4—8
First Period: Kazakstan, V. Antipin, (pp), 2. Finland, J. Lummo (T. Selanne, S. Koivu) (pp), 3, Finland, R. Helminen (S. Kapanen, V. Peltonen) (pp). 4. Finland, E. Tikkanen (J. Kurri, M. Nieminen) Second Period: Finland, T. Numminen (J. Niinimaa, S. Koivu) (pp). Third Period: Finland, J. Lehtinen (T. Selanne) 7, Finland, V. Peltonen, (sh). 8, Finland, T. Selanne (J. Niinimaa, S. Koivu) (pp), 9, Kazakstan, I. Nikitin (A. Trochshinskiy) (pp). 10, Finland, M. Shots on Goal—Kazakstan 4-0-11—15. Finland 16-12-9—37. Goalies: Kazakstan, V. Yeremeyev (32-26); A. Shimin (5-3). Finland, A. Salonder (15-13). Referees—Mark Faucette, Vaclav Cesky, Gerard Gauthier.

Russia 0 0 2—2
Czech Republic 0 1 8—1
First Period: None. Second Period: Czech Republic, R. Reichel (P. Patera) (pp). Third Period: Russia, V. Bure (I. Kravchuk, S. Gonchar) 3. Russia, A. Zhamnov (A. Gusarov, D. Mironov). Shots on Goal—Russia 14-7-10—31. Czech Republic 8-8-8—24. Goalies: Russia, M. Shtalenkov (24-23). Czech Republic, D. Hasek (31-29). Referees—Kerry Fraser, Janne Rautavuori, Kevin Collins.

Belarus 0 1 1—2
Sweden 2 1 2—5
First Period: Sweden, M. Andersson (N. Sundstrom, M. Ragnarsson) 2, Sweden, U. Dahlen (T. Sandstroem) Second Period: Sweden, N. Sundstrom (P. Forsberg, M. Ohlund) 4, Belarus, I. Malushkin (V. Tsyplakov, A. Kovalev) (pp). Third Period: Sweden, M. Sundin (O. Alfredsson) 6, Belarus, V. Tsyplakov (O. Romanov, A. Kovalev) (pp). 7, Sweden, M. Renberg (O. Alfredsson, P. Forsberg) Shots on Goal—Belarus 6-7-10—23. Sweden 12-15-11—38. Goalies: Belarus, A. Mezin (38-33). Sweden, T. Salo (23-21). Referees—Gerhard Mueller, Alexander Poliakov, Ray Scapinello.

ART BUCHWALD

The Starr Chamber

WASHINGTON — I am not a Ken Starr basher, but sometimes he goes too far. I speak now of his calling Monica Lewinsky's mother in front of the grand jury to testify against her daughter. The whole thing smells of hubris and could endanger the institutioo of parenthood as we know it.


Buchwald

This is what is wrong with the Starr Chamber — making parents testify against their kids is unprintable.

What children tell their parents should be privileged information, even more so than what a person tells his or her minister. You don't serve justice hy making someone's mother a snitch. Let us take a hypothetical Ken Starr, who wants to know if Ben Marks cheated on his history exam. If he did, it could lead to Whitewater and Paula Jones.

Ben refuses to answer questions. So Starr subpoenas his mother, Connie Marks. He offers Connie immunity if she will rat oo Ben.

□

Connie is torn between testifying against her son or going to jail for five years. She talks it over with Ben. "I love you very much, but when it comes to Special Prosecutor Ken Starr, it's every mother for herself."

"Mom, I don't care if you testify because I have never told you the truth about anything. Kids always lie to their parents to avoid getting bawled out. You can say anything you want, and it won't hurt me."

"You're a good son, and I don't want you to get hurt. It's not fair when they ask a mother to inform on her flesh and blood, even when she has found Penthouse magazine under his bed."

Ben says, "Maybe they'll give you a new identity and send you where oo one can find you."

"I never thought of that. I could be put in the witness protection program, and even you couldn't find me."

"I'm going to miss you, Mom, but you don't seem to have a choice. If you take the Fifth, they won't give yon immunity. Maybe I can help you in your testimooy. Did I ever talk to you about cheating on a history test?"

"I don't think so. I believe I would remember if you did."

□

"Did I ever tell you I had an affair with my history teacher?"

"No, you didn't."

"So there is nothing Starr can do to you. Don't you see what is going on? Starr is trying to hang Bill Clinton. If he can prove I cheated on my history exam, it will lead to Monica Lewinsky, and that will lead to the Oval Office."

"Ben, would it hother you if I reported to the FBI that I taped this conversation?"

"Of course not. What are mothers for?"

"Ben, I want to believe you, and I want to believe Starr. His joh is to pit parents against children, interns against presidents, Secret Service men against the FBI. A mother's duty is to go to the grand jury and say, 'You want to know how bad my kid is? Well, let me tell you how bad he is.'"

Ben says, "It sounds good to me. I could get you a hidden tape recorder for Mother's Day."

"Doo't hother. Starr gave me ooe already."

The Anatomy of Stephen Rea's Melancholy

By Alan Riding
New York Times Service

LONDON — Stephen Rea is famous for looking melancholic on screen, and on this occasion at least, he seemed little more cheerful in person. But he also had good reason for feeling gloomy. He had just flown into London from Dublin and was distraught over the spate of sectarian murders that had bloodied the new year and oow threatened the peace process in his native Northern Ireland. "It's truly ghastly," he said, speaking almost in a whisper. "I foolishly had hoped for some sort of improvement, but it doesn't seem to be coming. Everyone has become so used to the state of war that it becomes impossible for them to imagine anything else."

In his new film, he again plays an IRA gunman.

He took a sip of water and resumed, now talking more hurriedly, urgently, about how Britain should force its Unionist allies to make concessions, how the Irish Repuhlican Army is a symptom of deeper problems of colonialism and identity, how democracy canoot allow one community to exercise absolute power over another. He then stopped and apologized. The purpose of the conversation was to talk film, not politics.

On the other hand, ever since the Belfast-born Rea played the IRA hit man Fergus in Neil Jordan's 1992 film, "The Crying Game," for which he was nominated for an Academy Award for best actor, the public has ideotified him with the troubles of Northern Ireland.

And he apparently does not mind. In his new film, "The Break," released last year in Britaio and Ireland as "A Further Gesture," Rea again plays an IRA gunman. In this case, he even came up with the idea for the film, which opens in New York on Friday.

Writteo hy Ronan Bennett and directed hy Robert Dornhelm ("Requiem for Dominic"), the movie opens with Dowd, played by Rea, and his fellow IRA inmate Richard (Brendon Gleeson) joining an escape from a Belfast prison. But while Richard returns to the ranks of the IRA, Dowd flees to New York, where, after being stabbed in a rundown hotel, he is taken in hy a group of Guatemalan leftist exiles, including Tulio (Alfred Molina) and his sister, Monica (Rosana Pastor).

Dowd promptly falls for Monica, hut more disturbingly, he also discovers that the exiles are planning to murder a Guatemalan Army colonel who had tortured and killed many Guatemalan civilians, including the father of Tulio and Monica, and is now statiooed in the United States. When they insist on going ahead with the assassination attempt, he reluctantly agrees to lend his experience to the operation.

"I was interested in people who are prepared to live their lives as a gesture rather than for themselves, people who say my life is smaller than the higger gesture," Rea, 50, explained one recent evening in a Knightshridge hotel. "In the film, Dowd has lost this innocence. He is used up by the cause. He has allowed himself to become a person he did not want to be. Then he meets these people and he remembers his own innocence."

Perhaps the sadness in Rea's eyes reflects his own lost innocence. Certainly the accident of his being born in Belfast has shaped his life. "It's a very dysfunctional place," he said almost apologetically. "Everyone is maimed to some extent wheo they come out of that society. But like all dysfunctional families, you don't see it until later."

Ooe serious dysfunction, eveo before the latest cycle of IRA violence began in 1969, was that Northern Ireland offered few jobs and less hope. Rea's father was a Belfast hus driver, hut the fathers of most of his friends were working in Britain. And when their time came, Rea and his three sisters all left the province. After graduating from Queen's University in Belfast, Rea moved to Duhlin to study at the Ahbey Theatre School. Two years later, frustrated that he was learning little, he headed for England.


Universal Pictorial Press

Northern Ireland, Rea says, "is a very dysfunctional place."

In no time, his stage career flourished. In the 1970s, he worked at the Nottingham Playhouse, one of Britain's best regional theaters, and then graduated to the Royal Court and the National Theatre.

But by 1980, Rea had begun to discover the old maxim that you can leave Ireland hut Ireland oever leaves you. And from this feeling was born an ambitious Irish theater company called Field Day, founded hy Rea and two other Irishmen from the north, the playwright Brian Friel and the poet Seamus Heaney.

"From a personal point of view, there I was doing all these plays and having a great career," Rea recalled, "but I was involved in an agenda that was not entirely my agenda. It was Peter Hall's or Richard Eyre's agenda. As an Irish person, I felt I had another agenda. The idea was to try to express hig ideas in our own voice and not to feel that we had to somd English, that we had to attach ourselves to English theater. But I also wanted standards to be so high that we could transfer seamlessly from Ireland to England."

Throughout the '80s, during annual 10-week tours of the Irish provinces, Field Day not only put on all of Friel's new plays as well as new plays by Tom Kilroy and Terry Eagleton, but also works by Sophocles, Moliere and Chekhov. Rea performed in almost all of them. As it happens, in 1982 he directed, but did not appear in, "Three Sisters," which meant he could appear in Jordan's first movie, "Angel." It was also Rea's first movie.

By the early 1990s, Field Day had begun to "run out of steam," as Rea put it. After years of working simultaneously in theater, television and movies, climaxing with the success of "The Crying Game," the slim, mop-haired actor was also exhausted and be decided to concentrate on movies, appearing in several more directed hy Jordan, including "Michael Collins," "The Butcher Boy," the soon-to-be-released adaptation of Patrick McCabe's novel about a child murderer, and "In Dreams," currently in post-production. In recent years, Rea has appeared only once on stage, in Harold Pinter's "Ashes to Ashes."

Gleesoo, who also worked alongside Rea in "Michael Collins," Gilles Mackinnoo's recent film "Trojan Eddie" (with Richard Harris as a Gypsy boss) and "The Butcher Boy," watched Rea's metamorphosis from stage to screen with admiration.

"I was with him in Terry Eagleton's 'St. Oscar,' where he was tremendously funny, animated and expansive on stage," Gleeson said in a telephone interview from Duhlin, where he has just finished work on John Boorman's new film, "The General." "But on camera, he has a kind of severity, a calm, enigmatic, minimal delivery that gives him a brooding kind of presence. Bnt I can assure you, he can be very funny, very wicked, in private."

Richard Eyre, the former artistic director of the Royal National Theatre, who worked with Rea in Nottingham in the 1970s, put it this way: "Stephen is wonderfully melancholic," he said. "Melancholy is what he is marinated in. He has the most wooderful wit, which is the counter to his melancholy. Wit is the obbligato that runs against the symphonic theme of his melancholy."

PEOPLE

THE actress **Sharon Stone** was married in a Valentine's Day ceremony to a San Francisco newspaper editor. The 39-year-old actress known for her steamy role in "Basic Instinct" and other films, wed **Phil Bronstein**, 47, executive editor of the San Francisco Examiner, at the actress's Beverly Hills, California, home. The couple left Suoday for a honeymoon at an undisclosed location. It is the second marriage for both.

□

Ian Holm won British theater's best actor award on Mooday for an electrifying portrayal of Shakespeare's King Lear, and **Zoe Wanamaker** won the Olivier award for best actress for her role in Sophocles' tragedy "Electra." The American musical "Chicago," which has taken London by storm, was nominated for seven Olivier awards hut collected just one, **Ute Lemper** for best actress in a musical.

□

The Duchess of York chipped a bone in her shoulder while skiing in Switzerland. She saw a doctor, hut the injury was not serious eoough for her to cut short her vacation, a statement said. The duchess is vacationing with her daughters, **Beatrice** and **Eugenie**. Her former husband, **Prince Andrew**, is expected to join his family for his 38th birthday oo Thursday.

□

Djimon Hounsou and **Morgan Freeman** have been honored with NAACP Image awards. Hounsou was named outstanding actor in a motion picture for his work in "Amistad," a saga about a slave ship revolt, and Freeman won for supporting actor in the same film at the 29th annual Image awards. "Soul Food," a drama about black family life and home cooking, won five awards, including outstanding motion picture, actress, for **Vanessa Williams**, and supporting actress, for **Irma P. Hall**. The awards were selected by a panel of industry professionals and leaders of the National Association for the Advancement of Colored People.

□

Donatella Versace gave a glimpse of her oext couture collectioo in Presideot Nelson Mandela's backyard in Johannesburg at a charity fashioo show. The show, which included 13 previously unseen evening dresses, was organized by the model **Naomi Campbell** in aid of the Nelson Mandela Children's Fund, for which it is thought to have raised several hundred thousand dollars. The audience paid almost $1,000 each for a seat in the marquee tent pitched behind Mandela's residence.

□

Madonna made her first live performance in four years, at the Roxy dance club, where she performed when she first arrived in New York 14 years ago. "It was something she thought about doing for a while, especially because she has this oew album," her spokeswoman said. A crowd of about 2,000 had been dancing to recorded music when Madonna started singing songs from "Ray of Light," her album due out on March 3.

□

Prince Charles, in an article in The Big Issue magazine, edited for and sold hy the homeless, said, "Homelessness can happeo to almost anyone." His article follows a chance meeting at the magazine's Londoo offices in December with Clive Harold, an old school friend who lost everything after becoming an alcoholic. Charles wrote: "We live in an increasingly material world in which people's identity is determined so often only by the joh they do and the mooey they earn, rather than by what they cootributed to society."


Fiona Zahnell for the San Francisco Examiner

Newlyweds Sharon Stone and Phil Bronstein.

Steel Angel Unveiled in Northeast England

Reuters

GATESHEAD, England — Britain's largest piece of public art, a steel angel the height of four double-decker buses, was unveiled on Mooday on a hillside atop an old coal mine at Gateshead, near Newcastle, in northeast England.

The rust-colored "Angel of the North," by the British sculptor Anthony Gormley, can be seen hy 90,000 people a day as they travel oorth and sonth by road or rail.